New Deal Needed for Investors Page 11

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

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The Nation's Business

Credit Resources Used to Meet Public Deficits

C. N. R. Deficit Is $101,000,000

New Chairman To Be Dictator

Liberals Dodge Economy Issue

Credit is Stifled By Governments

FAILURE to balance government budgets in Canada is sapping credit from industry and commerce. In this way governments are exerting a bearish effect upon price levels.

Economists agree that we must have higher prices for recovery. In Canada, governments are helping to prevent this development.

When depression comes, banks find that their commercial loans are liquidated by borrowers. They properly bring about liquidation of their weaker loans. If they have idle funds on their hands, they employ the money in government bonds, although this is not nearly as profitable for banks as commercial loans. In Canada banks invested about $293,000,000 in provincial and Dominion Government bonds between January, 1930 and February, 1933. This more than doubled their total holdings of such securities.

If the governments of this country were balancing their budgets, this investment in their securities would be a good thing for business. It would force the yield of government bonds down, and would expand other forms of credit. It would create a broader basis for private credit.

Those from whom the banks purchased the securities would deposit the funds in the banks. Thus, the banks' securities portfolios would be swelled with little probable loss of deposits. Deposits might even increase. A certain portion of these bank deposits would then be seeking profitable employment. They would probably go into high-grade public utility securities. The process of maintenance or increase of deposits would continue, despite such investments by individual depositors and by banks.

Then investment would tend to go into industrial securities, real estate mortgages, etc. This would bring down interest rates on such investments. Confidence would be created. Consumer buying power should be maintained if less of the national income were exacted by taxation. A demand for commercial loans would be built up. Revival would be in process.

* * *

BUT here is what is now happening in Canada, and what has been going on for three years:

Banks are liquidating their weaker loans, and have had many good loans liquidated which they would have preferred to continue. The banks have been heavy buyers of government securities. They would like to lend to commerce, but cannot do so because there is no legitimate demand for funds. The price of government securities has, therefore, been inclined to firmness. The first part of the process outlined above has been completed.

Here, governments have stepped in and stopped it. They have continued to create deficits. These deficits have resulted in the creation of new government debt. This new debt has lapped up any funds which would ordinarily tend to flow into industry by process of evolution. As fast as the banks and other institutions and individuals have bought government securities, new debt has been created by the governments. Long and short term credit cannot get into industry as long as governments are thus viciously hogging it.

Banks can do little about this stifling of credit. They have no choice but to purchase government securities, which policy, but for government deficits, would start the expansion of credit which is so sorely needed. It is worse than useless for governments to attempt price stabilization schemes as long as their own financial policies are preventing the flow of credit which is necessary to raise prices.

* * *

The C. N. R. Deficit, What It Really Is

A READER of The Financial Post finds himself unable to determine what is the real deficit of the Canadian National Railways. He says all sorts of different figures are published and wonders which are right.

Well, here are the facts. Readers may make their own choice:

There are many ways of showing

(Continued on page 2, col. 3)

EIGHT MEN IN GOSSIP FOR C.N.R.

Government Faces Task of Selecting Three Trustees

DECISION SOON

Dunning, McLean, Brownlee, Drayton, Mitchell, Morrow, McRae and Garneau

From Our Own Correspondent

OTTAWA.—The Government has taken the task of selecting the three trustees who will have charge of the re-organized National Railways actively in hand, and an early announcement is expected.

The Government's preliminary steps have been marked by somewhat unfortunate political reactions in more ways than one but, so far, while many names are being mentioned, the choice has not narrowed down to a point where a prediction is justified.

From the political standpoint, there have been very interesting developments. It seems that Premier Bennett took occasion to point out to his supporters the difficulty of finding the right men for the jobs, and he earnestly requested that names of good men be suggested to him. The plan, no doubt, was that the Conservative members would turn in the names of the outstanding men in their sections of the country, and thus form a panel of eligible candidates from which the cabinet could select.

Petition for McRae

The result, however, was quite different. The Conservative members got up a petition advocating the appointment of Gen. A. D. McRae, and it was widely signed by members of both houses. It is believed the Government, while desirous of doing anything possible for the former party organizer, feels that his appointment to the trustee board would be a political error of great magnitude.

On the other hand, the recommendation of the Duff commission that members of parliament should be ineligible for office on the trustee board, not only during their active public life but for five years after retirement, has caused a good deal of feeling, both in the Senate and the Commons. The Senate struck out this "offensive" clause, but Mr. Bennett announced he reinserted it in the bill. The petition for General McRae, therefore, is something more than the recommending of a prominent man. It is the vehicle through which members of parliament have stressed their dislike of any provision barring them from appointment.

Plump For Dunning

While the McRae petition was going the rounds, the Conservative members from Saskatchewan decided it was time to put a check upon the Dunning boom for the chairmanship of the trustee board. Mr. Dunning, a former Liberal premier of Saskatchewan as well as a very prominent member of the late Liberal administration, has been suggested very frequently as a suitable man to become chairman of the National Railways' board.

He has never been consulted and it may be said authoritatively that it is very doubtful if he would accept. But his name has been so widely circulated that his erstwhile opponents in Saskatchewan decided to get up a petition urging the Government not to appoint him. The two petitions have been forwarded to the Government, and Conservative members are keenly interested in the result.

Six Others Mentioned

Apart from these two there are at least six men whose names have been mentioned for the trustee board. Foremost among them is Sir Henry Drayton, of Toronto. Apart from the fact that he is rather far advanced in life to tackle so strenuous a job, Sir Henry is admitted to possess many qualifications for the job. He is a lawyer; a former chairman of the Board of

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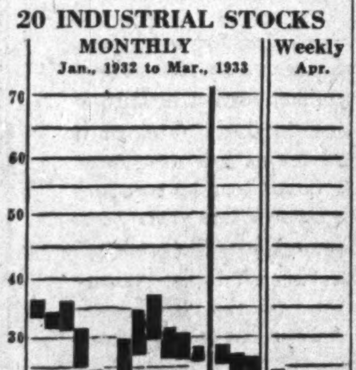
Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Apr. 4	24.4	23.1
Week of Mar. 28	25.6	24.2
Month of April, 1932	31.9	25.5
10 Public Utilities		
Week of Apr. 4	41	40
Week of Mar. 28	43	41
Month of April, 1932	50	44
8 Bank Stocks		
Week of Apr. 4	151	149
Week of Mar. 28	152	150
Month of April, 1932	192	192

Highlights of the Week

Events and Topics That Make Articles for The Financial Post This Week

A New Deal for Investors

With new deals going around, why not one for investors? So demands The Financial Post this week, calling attention to financial methods that menace the security of the private investor's capital. Page 11. Published also is an analysis of Roosevelt's new investment legislation. Page 9.

Export Power?

Quebec wants to sell 250,000 h.p. of electrical energy to the States which raises a political issue likely to stir a lively fight. What Canada's policy is and might be discussed at length by The Post's Ottawa and Montreal resident correspondents. Page 1.

Cahan's Speech

In China they are still talking about the speech Hon. C. H. Cahan made at Geneva setting forth Canada's position on the Manchukuo question. So great has been the interest at home and abroad, The Post has obtained a verbatim copy of the speech, runs it this week. Page 3.

C. N. R. Dictator

Eight men are named as possible selections for National Railways chairman. The Post lists them and tells you something about each one. Page 1 and Page 8.

Grocery Genius

Some intimate facts about the unique achievements of T. P. Loblaw, food store king, told by B. T. Huston, editor of "Canadian Grocer," for twenty years a friend of Mr. Loblaw. Page 5.

Harbour Racket

More facts about the manner in which millions of public money have been sunk in political ports told in second article in a valuable series. Page 4.

Gold Standard

It's a simple term but there are really three kinds of gold standard. For puzzled amateur economists The Financial Post outlines them all. Page 9.

Fire and Casualty

The big news in fire and casualty insurance these days is how everybody fared in '32. What did each "group" write? How much business did non-tariff firms take from "board" companies—and so forth. An exclusive service by The Post gives the whole story of 1932 experience analyzed by company "groups" and by tariff and non-tariff underwriting. Page 1 and special section pages 12-15.

Quebec Power Group Silent on Contracts For Export of Power

Tax to Province Adds to Export Cost of Power

COST ABOUT $24

Would Take That Much to Deliver Energy to New York State Buyer

From Our Own Correspondent

OTTAWA. — Will the Bennett Government permit increased power exports—up to 300,000 horsepower per annum—from Quebec to the United States?

This question is put directly to the Ottawa cabinet by reason of the legislation introduced in the Quebec legislature last week by the Government of L. A. Taschereau. As explained by one of his colleagues, the bill will permit export of power up to a maximum of 300,000 horsepower. The reason given is that, with decreased power consumption, due to the depression, there is a very large surplus which can find a market only south of the international boundary.

Mr. Taschereau has intimated that he will not, finally, proceed with the bill until he has consulted with the Bennett Government. At Ottawa, this speech is interpreted in two ways. There is a general belief on the part of Quebec members, that the informal consent of the Federal Government already has been obtained. There is an equally strong body of opinion to the contrary. Many Ontario and Western Conservatives believe that the Ben-

(Continued on page 10)

Ottawa Likely to Give Taschereau Full Authority

PRESENT CONTRACTS

Three Large and Several Small Contracts for Power Export Already in Effect

From Our Own Correspondent

MONTREAL.—Premier Taschereau's Government is convinced that a market for 250,000 h.p. of Quebec surplus power can be found in New York State. Operators profess not to be so sure, especially when they consider the tax of $2 a h.p.

Power operators are not committing themselves one way or the other on their ability to market surplus power in New York State, which in this case means Niagara Hudson Power Co.

Reason For Action

Those who follow the industry believe that a market can be developed, otherwise the provincial government would not change its established policy of prohibiting exports if it were not sure that the power could be sold.

For several years past the Quebec authorities have stood firm on the ground that all available power should be kept within the province. An exception to this policy is on some old contracts, notably those of Cedars Rapids Power and Manufacturing Co., and on exports to the neighboring province of Ontario.

The large supplies of low-cost

(Continued on page 10)

Tariff Fire Firms Fare Best in '32

Non-tariff Companies Gain Larger Share of Business But Suffer Heaviest Loss Ratio, Survey Shows

Tariff or "board" fire insurance companies in Canada wrote in net premiums approximately $37,300,000 of business in 1932 and experienced an average loss ratio for the year of approximately 59.1 per cent according to a special analysis of the year's experience prepared by The Financial Post. The corresponding figures for 1931 show that premiums written by "board" companies in that year were approximately $41,500,000 or with a loss ratio on the basis of net losses incurred to net premiums earned, of 58 per cent.

Thus although premium volume for tariff companies declined by approximately 10 per cent, the fact that in what was admittedly one of the most difficult years in fire post-war fire insurance history, tariff companies in Canada were able to keep losses at within 1 per cent of the corresponding figure of 1931, is a tribute to the careful underwriting policies of the 190 companies operating in Canada under tariff rules. Experience for all companies writing fire insurance in Canada in 1932 under federal supervision shows premium income lower by 7.5 per cent and an increase in earned loss ratio from 60 to 64 per cent.

78 Per Cent of Total Volume

The figure of $37,300,000 estimated as the volume of net premiums written by tariff companies in Canada in 1932, is estimated by The Financial Post to be approximately 78 per cent of the total volume of fire business written last year in Canada by federally-registered companies. A year ago the corresponding ratio was 80.7 per cent. Total business written by tariff and non-tariff companies was approximately $47,600,000.

Comparison of this latter figure with returns released by the federal insurance superintendent at Ottawa will indicate a difference of about $700,000, the official Ottawa figure being $46,900,000 This is due to the inclusion in The Financial Post compilation of the business of eight important joint stock companies licensed by the Ontario superintendent of insurance and whose experience has been added in order to make the survey of tariff experience more complete. The companies whose experience has been added are: Federal Fire, Hand-in-Hand, Merchants, Pilot Insurance, Provident Assurance, Queen City, Toronto General and Wellington Fire and Stanstead & Sherbrooke.

Though tariff companies lost ground in 1932 in relation to total

(Continued on page 12)

BEER FLOWING IN U.S. APRIL 7 SOME IMPORTS

Beer and Wine Export Ban Lifted by Ottawa May Help

TAXES HEAVY

American Tariff Exacts $1 Per Gallon—Other Taxes, Direct and Indirect, Mooted

With the Dominion Government once again permitting exports to the United States of beer and wine up to 3.2 per cent by weight (or 7.04 per cent of proof spirits according to the Canadian system of judging), brewers and wine manufacturers are studying more closely than ever every indication as to what the lifting of the ban will mean to them. On April 7, according to U. S. Federal law, the beer can begin to flow: already huge hoardings are advertising "beverages" with pictures of foaming steins, and soon large advertising programmes will mark the effort of old-time brewers to reinstate their old brews in public favor or of new brewers to gain an ear and a mouth for new brands.

The United States brewing capacity at the moment is regarded as being 25,000,000 barrels a year while, at the pre-war peak, consumption was 66,000,000 barrels. Just as in Canada, however, the hard liquors gained pre-eminence during prohibition as being easier and more valuable to bootleg. Just as in Canada the depression has cut down Canadian consumption 40 per cent, it must be expected that demand will show a similar shrinkage at this time in the United States. Also the potential demand will be strictly limited because of huge taxes that will be piled on the industry.

Cannot Sell at 5c.

Brewers had talked of starting out with a five-cent glass of beer but Federal, State and Municipal Governments are busy devising ways of taking at least that much in taxes. In England the cry of "cheap beer for the working man" has at times been a magical formula to use in elections but there will not be the same organized tax opposition in the United States. All that legislators are worrying about is to get as much as possible without killing off the industry. The trouble is that there are so many taxers. For example, Chicago charges $150 to July 1 for a beer license and will not say what will happen then. The only limit obviously is that fact that people will not go into the retail business if this charge is too high. The Federal tax alone will be $5 a barrel and in Chicago beer will sell at $16 a barrel. This may permit retail sale at 10 cents for a 10-ounce stein of beer. In St. Louis an 8-ounce stein will sell for five cents.

23 States Can Sell

The taxes and laws of the states are in a state of flux: 23 states can sell beer on April 7; 12 can legalize it with statutes; and all others have prohibition embedded in their constitutions. After April 7 the Federal law will permit the carrying through the mails of publications with beer advertisements but such advertisements cannot originate in dry states.

Home Brew May Go

The huge home brew production and consumption will probably give way gradually before cheap beer if it is good. The bootlegger's brew is also expected to pass now that Governments have revenue to protect and now that better beer will be offered. Manufacturers of near beer are switching over to 3.2 per cent beer as they realize near beer is not likely now to have a chance.

The 3.2 per cent wine permission is not likely to be followed at once by heavy production. The Federal tax of $5 a barrel is likely to be followed by heavier imposts amounting to $25 a barrel, and manufacturers say that with this load successful marketing will be too difficult.

Direct employment will not be greatly increased by the new law as brewers never did employ large numbers. The extra advertising revenue, the demand for vacant properties, the creating of full-time operations for makers of bottles, labels, delivery trucks, pretzels, the campaigns in dry states, the civil servants employed by new revenue will, however, be important; and against these must be placed the bootleggers who must now find new outlets for their talents.

Farmers will not benefit so much

(Continued on page 2, col. 4)

Savings Bank Interest Rate Cut Due Soon

Reduction in interest rates on savings deposits in banks will probably be forthcoming immediately after Easter and will be followed by similar actions by trust companies, loans companies and provincial savings banks.

Delay in cutting the rate has been occasioned by two factors. The American bank crisis made the announcement inadvisable in March, as it might have been misinterpreted by the public. The other factor was a matter of local politics in one of the provinces.

Toronto Group Sponsors New Beauharnois Plan Battle Is In Prospect

Oppose Reorganization Plan Proposed By Montreal Light, Heat & Power Consolidated; Seek Greater Return For Present Debenture Holders; Proxies of Small Investor May Carry Deciding Vote

WOULD GIVE DEBENTURES 71.8% OF COMMON

Toronto Plan Provides Issue of 5% Scrip in Lieu of Interest Until 1937; Debenture Holders Would Subscribe to $12,950,000 of 6% First Mortgage Bonds and Get Bonus of Common Stock; Present Common Stockholder to Get One New Share For Each 50 Shares Held

The Financial Post published the first story concerning the original Beauharnois development, giving the complete details before even a hint of the promoters' plans had appeared anywhere else.

The Post was the first paper to publish the "Montreal Power plan" of reorganization.

Again The Post leads. Below are the complete details of the so-called "Toronto plan," set up by a group of bondholders and investment bankers who oppose the Montreal Power plan.

Battle for control of Beauharnois is in prospect with small debenture holders apparently holding the balance of power. Potentially the greatest producer of hydro-electric power on the continent, if not in the world, another page in the chequered history of Beauharnois will be turned when debenture holders meet to consider the report of their protective committee at an early date. This report, it is generally believed, will favor the reorganization plan submitted by Montreal Light, Heat & Power Consolidated.

Opposed to the Montreal plan is a Toronto group with a plan which favors the debenture holders who invested $30,000,000 in the project in December, 1929, and who have received no interest for 18 months. Probably not more than 40 per cent of the debentures outstanding are held in blocks of more than $100,000, the remaining 60 per cent is held by small investors, largely in Canada. Support of the Montreal Power plan is not unanimous among the larger investors among whom is R. O. Sweezy, deposed president. If the Toronto plan is energetically advanced, as its sponsors say it will be, the final decision will rest with small investors scattered throughout Canada.

Oppose Montreal Power

Plans for reorganization of Beauharnois Power Corp. which differ radically from the proposals made by Montreal Light, Heat & Power Consolidated, have been prepared by a Toronto group which expects to enlist the aid of British capital. Decision as to which plan will be accepted rests with bondholders of Beauharnois Power Corp. who will meet shortly to consider the report of the protective committee appointed in June, 1932 and since the Beauharnois bonds are held chiefly by a large number of small investors there threatens to develop one of the keenest battles for proxies that Canadian business has seen for a long time.

The proposed capital set-up of Beauharnois Light, Heat & Power Corp. as suggested in the conflicting plans is similar only to the extent that debenture holders will exchange their present security for general mortgage debentures which will rank after first mortgage bonds. The first mortgage bonds are to be taken by the banks in payment of their advances to date and to be offered to debenture holders and the public in order to raise new capital to an amount sufficient to complete construction of the power development to 500,000 h.p. The differences occur in the distribution of the common shares; in the interest rate it is proposed to pay for capital; in the amount of general mortgage bonds to be issued, and in the period that will ensue before debenture holders will receive a return on their investment.

Favors Debenture Holders

The Toronto Plan is based on the assumption that investors who have put $30,000,000 of cash into Beauharnois Power Corp. bonds should receive full consideration in any reorganization of the company. This consideration, it is held, should include full recompense for unpaid interest on the $30,000,000 of six per cent collateral trust bonds, due October, 1, 1959, now outstanding and on which interest due April 1, 1932, and subsequent interest due has not been paid. It also provides that present bondholders should receive a substantial equity in the company. The Toronto Plan as submitted to the bondholders' protective committee and to large bondholders is as follows:

Holders of the $30,000,000 collateral trust debentures now outstanding would exchange their securities for an equal face value of six per cent 40 year general mortgage debentures of Beauharnois, Light, Heat & Power Co. These general mortgage bonds would not bear interest until October 1, 1935. From that date to April 1, 1937, interest would be paid in 10 year scrip carrying five per cent interest and on October 1, 1937, interest on the bonds would be paid in cash, such cash payments continuing until the bonds are retired. Present debenture holders would receive 150,000 shares of common in compensation for interest now in arrears.

Would Get Rights

Present debenture holders would, in addition, be given rights authorizing the holder to buy a minimum of $300 of six per cent 30 year first mortgage bonds of Beauharnois Light, Heat & Power Co. at par for each $1,000 debenture held. To debenture holders who exercise their rights would be given a bonus of three shares of common stock for each $100 of new first mortgage bonds purchased and in addition interest

(Continued on page 2, col. 5)

SOO RAILWAY PLANS SHORTLY REORGANIZE

New Bankruptcy Bill Gives Railways Better Deal

C. P. R. HAS BIG STAKE

From Our Own Correspondent

MONTREAL.—It is understood that the Minneapolis, St. Paul and Sault Ste. Marie Railway, controlled by the Canadian Pacific Railway, will shortly take advantage of the new United States bankruptcy act to bring about a reorganization.

At the end of last January the House of Representatives amended the federal bankruptcy laws as a means of reducing the indebtedness and aiding in reorganizing the affairs of individuals and railroad and business corporations.

Railways Are Included

Under the old law railways were excluded from the operations of the bankruptcy statutes and in view of the fact that last year 122 American railroads failed to earn their fixed charges and in order to meet the emergency a new bankruptcy bill was passed.

Under this legislation reorganizations of railroad companies can be worked out under the jurisdiction of the courts and the actual plans can be formulated under the supervision of the Interstate Commerce Commission.

Gives Wide Powers

The bill further permits either the railroad or its creditors constituting not less than 5 per cent in amount of the carrier's indebtedness to petition the court for reorganization. Upon approval of the petition the I. C. C. is directed to hold hearings on a plan of reorganization which may be presented either by the railroad creditors constituting 10 per cent in amount of any class of creditors, or drafted by the I. C. C. itself.

Approval of the plan of reorganization by two-thirds in amount of the claims of any class of creditors will be binding upon that entire class of creditors. When that stage of the proceedings is reached the Commission submits the plan with reasons for its approval to the court for final action.

Already Take Advantage

Several American railroads have already taken advantage of the sweeping terms of this legislation to carry through reorganizations.

Minneapolis St. Paul and Sault Ste. Marie is expected to do likewise as its earning power has been so impaired in the last two years that it has been unable to meet its fixed charges without the assistance of loans from the Reconstruction Finance Corp. and the Canadian Pacific Railway.

Soo's Problems Weighty

Last year the Soo line had a deficit of $5,516,465 after payment of interest in the amount of $5,679,581 on the funded and unfunded debt. Traffic conditions in the territory served by the company militated against a better showing.

Advances From C. P. R.

In 1931 the Soo was faced with financial difficulties and in January, 1932, the Canadian Pacific advanced its subsidiary $1,400,000, which amount was obtained by a

(Continued on page 2, col. 1)

Beauharnois Plans Shown in Contrast

Under the "Toronto Plan" for the reorganization of Beauharnois Power Corp., present debenture holders on subscribing to $12,950,000 of 6 per cent first mortgage bonds at par would receive a bonus of 388,500 common shares of the company. In addition they would receive from 1933 to 1937 5 per cent scrip to the amount of $7,200,000, representing interest due on $30,000,000 of 6 per cent debentures now held and would have received $630,000 cash as interest on scrip. Interest on debentures would be paid in cash on October 1, 1937, and thereafter.

The proposed capitalization of the company under the rival plans is shown as follows:

Securities	Toronto Plan Amount	Toronto Plan Rate	Toronto Plan Matu.	Montreal Power Plan Amount	Montreal Power Plan Rate	Montreal Power Plan Matu.
First Mortgage Bonds	$38,000,000	6%	1963	$37,495,000	5½%	1973
Gen. Mortgage Debentures	30,000,000	6%	1973	36,000,000	5%	1973
Scrip	7,200,000	5%	10 yrs.	......	..	....
Common Stock, n.p.v.	750,000 shs.			762,000 shs.		
(Of which present debenture holders would receive)	71.8%			51.18%		

Present debenture holders would receive the following return on their investment up to April 1, 1937, as follows:

	1933	1934	1935	1936	1937	Total
5% Scrip	$900,000	$1,800,000	$1,800,000	$1,800,000	$900,000	$7,200,000
Interest on scrip red. in cash	......	67,500	157,500	247,500	157,000	630,000

Under the Montreal Power plan of reorganization if present debenture holders subscribe to $13,500,000 of 5½ per cent first mortgage bonds at 95 they would receive a bonus of 240,000 common shares but would receive no interest on their debentures until 1937, when payments would start on a cash basis as under the Toronto plan.

Under the Toronto plan shareholders of Beauharnois Power Corp. would get one share of Beauharnois Light, Heat & Power Co. stock for each 50 shares held, a total of 34,400 new shares. Under the Montreal Power plan present shareholders would get one new share for every ten shares held, a total of 172,000 new shares.

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LOW PRICED TRIPS

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$80.00 Four-Day Cruise to Bermuda on the Palatial French Liner S.S. "Paris."

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All of the above rates include round trip rail and berth, to New York

BOOK EARLY—ACCOMMODATION AT THESE RATES IS LIMITED

THE TRAVEL DEPARTMENT

SIXTH FLOOR—FACING GEORGIAN ROOM ELEVATORS

T. EATON CO LIMITED

SOO RAILWAY PLANS SHORTLY REORGANIZE

(Continued from page 1)

loan of $900,000 from the National City Bank of New York and $500,000 from the First National Bank, Chicago, on the C. P. R.'s short term promissory notes.

This advance enabled the company to meet January 1, 1932, interest on its consolidated mortgage bonds, but on the 25th of the following month the Reconstruction Finance Corp. granted the Soo two loans of $2,300,000—$1,814,000 maturing in one year and $486,000 in two years. Of the first loan the company received $1,709,130, of which $209,669 has been repaid, leaving $1,499,461 issued and repayable as follows: February 27, 1933, $974,461; April 28, 1933, $100,000; and June 10, 1933, $425,000.

Further aid was requested of the Reconstruction Finance Corp. on July 25 last. This time the Soo was given $5,000,000, advanced in two installments on July 29, 1932, and August 1, 1932. In return for this assistance the Soo pledged as collateral $6,250,000 first refunding mortgage, 5½ per cent, series B; $1,750,000 of first mortgage bonds of the Clarkson Coal Mining Co.; $2,000,000 capital stock of the Central Terminal Railway; together with assignment of all rentals received by the terminal company for sub-leases of its properties.

During the past year the Soo deposited against this loan $112,265 of rentals and $17,000 to be used for the retirement of Clarkson Coal bonds. The R. F. C. applied $46.505 against interest, $57,168 against principal and the balance was held by a depository.

Asks For Extension

The January, 1933, statement of the Reconstruction Finance Corp. showed that loans of $6,843,082 had been made in the Soo railway up to that time. Of this amount $343,620 had been repaid, leaving outstanding $6,499,462.

Confronted with this situation the Soo management notified the R. F. C. that it would be unable to meet its notes and requested an extension of loans outstanding of $1,499,461 which matured February and June, 1933.

C. P. R. Again Assists

In its position as holding the majority of capital stock and guarantors of the majority of the Soo's funded debt, the Canadian Pacific has agreed to advance to its subsidiary during the first half of 1933 an amount of $5,500,000. During January the C. P. R. advanced $2,200,000 so that it still has $3,300,000 more to advance.

Defer Loan Maturity

The Reconstruction Finance Corp. has also contributed in helping the Soo line to meet its obligations by agreeing to extend loans of $1,499,461 for a further term not exceeding two years.

So far as the current year is concerned the Soo line has made arrangements with the Canadian Pacific Railway and the Reconstruction Finance Corp. to meet its cash obligations in 1933.

This does not strengthen its financial position and it is considered necessary for the company to undergo a reorganization to place it on a sounder basis.

C. P. R. Has Interest

In any plan for the reorganization of the Soo, the Canadian Pacific has an interest for not only is it the largest holder of the Soo's preferred and common stocks and bonds, but it also guarantees interest on $95,105,000 of its subsidiary's bonds.

Aside from its current obligations, the Soo's indebtedness can be divided into three main classes: loans from the R. F. C.; loans from the C. P. R.; and funded debt.

Maturities in 1938

The principal concern in the third category is the $56,868,000 of first mortgage bonds which mature in 1938. Interest on these bonds is guaranteed by the Canadian Pacific. It is to be expected that without marked change in the situation the Soo Line will not be able to meet this obligation at maturity and will have to arrive at some compromise with the bondholders. The C. P. R. does not guarantee the principal of these bonds.

May Eliminate Guarantees

While no official details are available on a reorganization plan for the Soo, it is believed that the first mortgage bondholders will be ready to reorganize without a C. P. R. guarantee, as a receivership would cost them more than they could collect in the remaining few years of the guarantee period.

The aggregate value of the balance of the funded debt is less than $35,000,000. Here again it is possible that under a reorganization the C. P. R. would be relieved of certain guarantees if arrangements could be effected with the first mortgage bondholders.

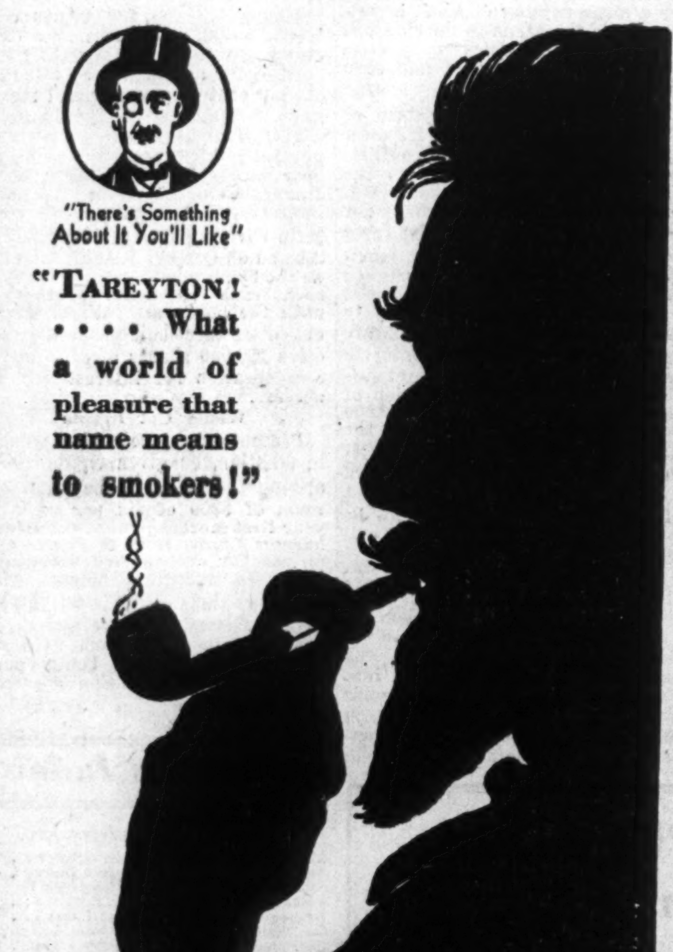
C. P. Anticipates Adjustments

It is to be expected that the capital stocks will not fare too well under any reorganization plan. Of the $37,810,200 par value of preferred and common stocks the Canadian Pacific holds $19,723,500, of which $12,723,500 is in common stock.

Anticipation of a Soo Line reorganization and a possible material reduction in capital stock values is seen in the action of the Canadian Pacific management in setting up a special reserve of $4,000,000 in the 1932 accounts to take care of possible losses on its holdings in American railways.

HERBERT TAREYTON

LONDON SMOKING MIXTURE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The Nation's Business

(Continued from Page One)

the Canadian National Railways' deficit and usually the politicians take the simplest figure of all which is the operating deficit with or without the interest on the bonds in the hands of the public. But this does not begin to tell the story.

The net operating surplus of the Canadian National Railways in 1932 was $5,895,433.

After allowance for taxes and uncollectable revenue, however, this operating surplus was only $549,422.

Hotel operations, after taxes, produced a further deficit of $59,482 to be deducted from the above total.

Now we come to a whole group of income and expense figures which in the C. P. R.'s report would be included in operating revenues and operating costs, but which in the C. N. R. statement are not so included. They include income from lease of roads, rent of locomotives and equipment, etc., and expenses on account of hire of freight cars, rent of locomotives, etc. After deduction of the hotel operations' deficit and the net debt on account of the miscellaneous items referred to, the net income deficit of the C. N. R. before payment of any interest whatsoever, was $4,041,640.

Interest on their long term debt in the hands of the public was $56,965,279. Thus, the net income deficit before interest on government loans was $61,006,919.

Interest on Dominion Government loans took $35,525,540, leaving a net income deficit of $96,532,459.

Even this, however, does not represent the actual profit and loss figure of the road. There were many items of one kind and another on both the credit and debit side not included in the above figures, including profit on road and equipment sold, loss on retired road and equipment, etc. These in the aggregate constituted a net debit of $4,802,615 which, added to the net income of the deficit previously shown, brought the net loss on the Canadian National Railways system in the year 1932 to $101,335,074.

This, in our opinion, represents the actual loss for the year and it is quite a different thing from the deficit figures usually used by politicians and others.

But the reader may take his choice and either take comfort from the operating profit of $5,900,000 or face the brutal realism of an actual cost to the treasury of $101,300,000.

C. N. R. Dictator To Be Named

WHEN the new board of three trustees for the Canadian National Railways is appointed the most important position to be filled will be that of chairman. Under the new legislation the trustees, when they are divided on any matter, must always bow to the will of the chairman. It is also provided that the chairman will be the only full time official of the board. This very effectively ensures that the chairman of the board of trustees of the government railways will be a railway dictator, independent of political influence if he desires to be independent and able to rule the affairs of Canada's largest single business enterprise with an iron hand.

It is essential that the chairman of the board of trustees shall be a person who combines within himself business experience, personal courage, a sense of social responsibility and an intimate understanding of the public mind. It is no small order to locate such an individual. But there are in Canada people who meet the necessary qualifications, and if one of them can be induced to take this post it will not be necessary to go outside of Canada to find a National Railways chairman.

That he will be a man at the head of some great Canadian business corporation is not to be taken for granted. Such an appointment would be ideal but the Government may have difficulty in inducing any man who is good enough to run the Canadian National Railways to leave his present responsibilities. However, to appoint either a worn-out politician or some man who is available because he has not made a success of business would be fatal.

Somewhere in Canada there is a man who within the next few months will be given the most important executive position in Canada and who, when he is given that job, will have to take in hand among others these important jobs:

1. Deflating railway costs to a point that neither the National nor the Canadian Pacific lines have reached today.
2. Maintaining at the same time a superior type of freight and passenger service.
3. Keeping the Canadian Government railways abreast of the time in the years to come.
4. Visualizing Canada's transportation problem as a whole in order that agencies of transports now considered competitive may be made to work as a unified group of service institutions.

* * *

Why Don't Liberals Demand Economy?

IT HAS not escaped attention in business circles that most of the Liberal members of the Ottawa House in their comments on the Rhodes budget, have refrained from emphasizing the need for economy in public affairs.

Can it be that it has not yet dawned upon the politicians of the Liberal party any more than upon the politicians of the Conservative party that the primary need in Canada is for drastic reduction in governmental expenses in order to put an end to the continuous capital levy that is represented by the present scale of taxation in Canada?

The Toronto Star, which is probably more Socialist or Communist in viewpoint than are any true leaders of Liberalism, dissects one list of suggested savings and points out that the savings suggested would only total about $5,000,000, which "would not relieve to any appreciable extent the situation which necessitated the imposition of $70,000,000 in new taxation this year."

While qualifying its statement with a lukewarm "undoubtedly there should be retrenchment" the Star emphasizes that "the final and adequate remedy lies not so much in retrenchment and taxation as in the re-stimulation of trade."

This seems to be the viewpoint of the Liberal opposition at Ottawa. They have at hand a political argument of first magnitude which would appeal to the business men and the workers of Canada with magical force. They could if they wished carry on such a campaign for a drastic reduction in governmental expenditures that even a strongly entrenched government might have to take heed.

The significance of the situation is that the absolute necessity for economy is not yet recognized in Ottawa on either side of the House.

BEER FLOWING IN U. S. APRIL 7 SOME IMPORTS

(Continued from page 1)

as expected. They are especially warned not to increase acreage in barley to make malt. In pre-prohibition days only 2 per cent of grain production was needed to make intoxicating liquors, and that market has not been lost during prohibition. It is freely stated in the United States that even now vast quantities of corn and other cereals are being marketed as moonshine.

Canada Dry Steps In

Canada Dry Ginger Ale, Inc., in whose stock Canadians have a decided interest, will cater to the beer drinker who is fussy. It will distribute bottles of the famous German Wuerzberger beer through the United States.

Canadians will have to reckon with a tariff of $1 a gallon under that Tariff Act of 1930 in trying to export ale, porter, stout and beer. As all sorts of connections have been made with European makers by Americans, it may be that Canadians can establish as well a demand for special quality brands. Many Canadian firms are taking interests in United States brewers and supplying expert help.

In a few years Canadian brewers will probably find efforts being made to sell United States surplus in Canada. In New York state alone makers propose to spend $22,000,000 in new plants, additions and alterations besides what has been done already.

Montreal Raises Question of Lower Utility Charges

From Our Own Correspondent

MONTREAL.—Revision and reduction in rates at present in force for the sale of electricity and gas in the city of Montreal is requested in a motion to be submitted at the next meeting of the Montreal City Council.

What effect such a move by the city would have on new legislation giving the Quebec Public Service Commission wider powers in the matter of electricity rates is not known at this stage.

Beauharnois Capital Change is Proposed

Reorganization of Beauharnois Power Corp. under the plan proposed by a Toronto group provides for the distribution of securities of Beauharnois Light, Heat & Power Co. as follows:

Common Stock: 750,000 shares of no par value to be outstanding.

Present shareholders would receive 34,400 shares or 1 share for each 50 shares now held.

Present debenture holders would receive 150,000 shares in lieu of interest unpaid.

Present debenture holders would receive 388,500 shares as a bonus for subscribing to first mortgage bonds, 3 shares for each $100 par value of bonds purchased.

Underwriters of first mortgage bonds would receive 177,100 shares.

5% Scrip: $7,200,000, maturing in 1943.

Issued to debenture holders who exercise or dispose of their "rights" to purchase first mortgage bonds. If their "rights" are exercised debenture holders will receive scrip in lieu of interest due on their debentures after April 1, 1933. If rights are not exercised scrip is only given after April 1, 1935.

6% General Mortgage Debentures: $30,000,000, maturing 1973.

Issued in an even exchange for present $30,000,000 of six per cent collateral trust bonds, due Oct. 1, 1959. Interest to be paid in scrip to April 1, 1937; interest in cash starting October 1, 1937.

6% First Mortgage Bonds: $38,000,000, maturing 1963.

It is proposed that $23,705,000 would be taken by banks in payment of advances; $1,543,000 to the Quebec Government over a period of five years.

Underwriters would assume liability for $12,950,000 purchased at 95 and present debenture holders would be asked to subscribe for these bonds at 100.

TORONTO GROUP SPONSORS NEW BEAUHARNOIS PLAN

(Continued from page 1)

would be paid in scrip on their new 40 year debentures from April 1, 1933. Present common shareholders of Beauharnois Power Corp. would receive one share of Beauharnois Light, Heat & Power Co. for each 50 shares of Beauharnois Power Corp. now held.

If the present Beauharnois debenture holder wishes to subscribe to the new six per cent first mortgage bonds, which would give an immediate cash income, payment may be made either in whole or in part. Where the bonds are not purchased outright, one third of the subscription can be made immediately, one third on or before April 1, 1934, and the remaining third on or before April 1, 1935. A finance company is understood to have been formed which would underwrite the issue of new six per cent first mortgage bonds and sponsors of the Toronto Plan have stated their willingness to deposit $1,000,000 as a guarantee of their being able to secure an underwriting.

The position of a holder of a $1,000 debenture of the present company who subscribed to the new first mortgage bonds would therefore be as follows:

Now Holds in Beauharnois Power Corp.

$1,000 6 per cent collateral trust bond in default since April 1, 1932.

Increases Investment:

$300 by subscribing for new first mortgage bonds.

Then Holds in Beauharnois Light, Heat & Power Corp.:

$300 of 6 per cent 1st mtge. bonds, due 1963, on which interest is paid in cash from April 1, 1933.

$1,000 of 6 per cent gen. mtge. debentures, due 1973, on which interest is paid in 5 per cent 10-year scrip from April 1, 1933, to April 1, 1937, thereafter in cash.

14 shares common stock, of which 5 shares is received as compensation for interest unpaid to date and 9 shares is received as a bonus for subscribing to first mortgage bonds.

The income position of the holder of a $1,000 debenture who subscribes to $300 of first mortgage bonds would be as follows:

	Scrip	5% Interest on Scrip in Cash
1933*	$30	....
1934	60	$2.25
1935	60	5.25
1936	60	8.25
1937†	30	5.25
	$240	$21.00

*Initial payment of scrip on October 1, 1933.

†Last payment of scrip on April 1, 1937.

Commencing October 1, 1937, debenture interest would be paid in cash amounting to $1,800,000 annually and on the $7,200,000 of scrip outstanding $360,000 interest would be paid annually in cash.

The position of a holder of a $1,000 debenture, who, for one reason or another, does not subscribe any new capital for Beauharnois Light, Heat & Power Corp. would under the Toronto Plan be as follows:

Now Holds in Beauharnois Power Corp.:

$1,000 6 per cent collateral trust bond, in default since April 1, 1932.

Will Hold in Beauharnois Light, Heat & Power Corp.:

$1,000 6 per cent general mortgage debenture, due 1973, on which interest will be paid in 5 per cent 10-year scrip, from Oct. 1, 1935, to April 1, 1937, inclusive, and thereafter in cash.

Five shares common stock received as compensation for interest unpaid to date on present debentures.

The debenture holder who did not exercise or dispose of his "rights" would receive the following income during the next four years on each $1,000 of debentures held:

	Scrip	5% Interest on Scrip in Cash
1933	...	....
1934	...	....
1935*	$30	....
1936	60	$2.25
1937†	30	5.25
	$120	$7.50

*Scrip payable October 1, 1935.

†Scrip payment ends April 1, 1937.

Note:—Starting October 1, 1937, holder would get $60 annually in cash as interest on $1,000 debenture and $6 in cash as interest on $120 of scrip held.

Montreal Plan Detailed

Details of the Montreal Light, Heat & Power Consolidated plan of reorganization have been outlined in The Financial Post although the plan has not been officially presented to bondholders. The Montreal Power plan provides for issuance of $36,000,000 of five per cent 40 year general mortgage debentures to present debenture holders who would therefore receive $1,200 of five per cent bonds due in 1973 for each $1,000 of six per cent debentures, due in 1959, now held. No interest would be paid on the new general mortgage debentures until October 1, 1937, when payments would start on a cash basis. The debenture holders would receive 150,000 shares of common stock of Beauharnois Light, Heat & Power Co. as compensation for loss of interest to date and the increased principal amount of general mortgage debentures would be compensation for absence of interest until 1937.

In addition, Montreal Power would agree to underwrite $13,500,000 of 5½ per cent 40 year bonds but would offer the privilege to debenture holders of subscribing to these bonds at 95 to the extent of $450 of first mortgage bonds for every $1,000 debenture held. Each $100 par value of first mortgage bonds would carry a bonus of 1.77 shares of common stock. Shareholders of Beauharnois Power Corp. would be allotted one share of common stock for each 10 shares now held.

Objection to Montreal Plan

Sponsors of the Toronto Plan point out that the Montreal Plan provides that debenture holders shall waive all return on their investment up to October 1, 1937, thereby saving the company over $8,000,000 in interest charges which would strengthen the equity of the common shareholders. After 1937 the company would pay out annual interest of $1,800,000 on the $36,000,000 of five per cent general mortgage debentures which is the same amount as is due annually on the $30,000,000 of six per cent debentures now outstanding or the $30,000,000 of six per cent general mortgage debentures proposed under the Toronto Plan. The additional $6,000,000 principal amount of bonds to be issued under the Montreal Plan as compensation for non-payment of interest until 1937 does not mature until 1973 and the present value is substantially less than $6,000,000.

The Toronto Plan has been submitted to the Beauharnois Bondholders' Protective Committee; to large investors and to a number of bond dealers. As submitted, the plan is compared with that of Montreal Power. On the basis that debenture holders subscribed the full amount of new capital needed by buying the first mortgage bonds, debenture holders would receive 71.8 per cent of the common stock under the Toronto Plan and 51.18 per cent of the common stock under the Montreal Plan. Under the Toronto Plan debenture holders would receive an annual income of $2,937,000 by 1937 on securities with a par value of $50,150,000 which cost them $50,150,000. Under the Montreal Plan the annual income by 1937 would be $2,542,500 on securities with a par value of $49,500,000 which cost debenture holders $50,835,000.

Objections to the Toronto Plan are chiefly based on two points. First the question of the ability of the sponsors to underwrite any issue of first mortgage bonds and secondly the question of management of Beauharnois Light, Heat & Power Co. if debenture holders favor the Toronto Plan. Chief objection to the plan on the part of the debenture holders protective committee is believed to have been based on the question of underwriting. Sponsors of the plan, however, feel that its merits are such that the support of bond dealers throughout Canada can be enlisted in selling such first mortgage bonds as the debenture holders fail to take up while steps are now being taken to enlist the support of British capital which, through a finance company, would underwrite the issue.

Turpin, Bates and Williams Form Investment House

From Our Own Correspondent

MONTREAL. — Announcement is made of the formation of the partnership of Turpin, Bates and Williams, members of the Montreal Stock Exchange and Montreal Curb Market. The partners of the firm are: G. H. Turpin, Harry Bates, R. Lyman Williams and F. O. Peterson.

Maintaining A Long-Established Position

When the Dominion of Canada was established in 1867, the Bank of Montreal had nearly a fourth of the total paid-up banking capital of Quebec and Ontario, and more than a fourth of the banking assets of those provinces.

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May Attractions

BRITISH ISLES

Royal Academy Art Exhibition, London—Chelsea Flower Show, London—Golf: Open Championship, St. Andrews. Ladies' Open, Gleneagles—Opening of Royal Naval, Military and Air Force Tournament, London (Olympia)—Rowing: "Eights" Week, Oxford.

FRANCE

Spring style shows in Paris—all winter shows still running—Racing at Vincennes.

GERMANY

Brahms Centennial Festival opens at Wurzburg—Annual Agricultural Exhibition at Berlin—Kaiser Wilhelm Society for Advancement of Science, in Berlin.—Wagner Year Concerts.

ITALY

Holy Year Celebrations

International Exhibition of Modern Arts at Milan—Fete of "Calcio" at Florence—Vienna Philharmonic Orchestra at the Augusteo, Rome—Royal Grand Prix Auto Races in Rome.

CZECHOSLOVAKIA

Napoleonic Congress at Prague—International Students Lawn Tennis Tournament at Prague.

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EASTERN DAIRIES OMITS DIVIDEND ON SENIOR STOCK

Sharp Drop in Earnings Causes Directors to Take Action

From Our Own Correspondent

MONTREAL.—Following upon a sharp drop in earnings, directors of Eastern Dairies Ltd. have passed the dividend on the company's 7 per cent cumulative preferred stock for the current quarter ending March 31, 1933. This change in policy is an outcome of the unsatisfactory income reported by the Winnipeg subsidiary and the milk price wars in the Montreal area.

At the end of its last fiscal year, Eastern Dairies had outstanding $2,500,000 of 7 per cent cumulative preferred stock. There was also issued $3,000,000 of 6 per cent bonds and 93,951 shares of no par value common stock. A quarterly dividend of 25 cents a share was paid on the ordinary stock up until October 15, 1930, when further payments were discontinued.

Issue Letter on Situation

In connection with the passing of the dividend on the preferred stock, the management have issued the following letter to shareholders:

Earnings of your company during the present fiscal year have not been sufficient to warrant the continuance of these dividend payments at the present time, and that it is in the best interests of the company to conserve its financial position.

"The continued unsatisfactory conditions prevailing throughout the country and the consequent lack of buying power has caused a decrease in the consumption of milk and a larger decrease in the consumption of cream and ice cream, and this has been reflected in the sales and earnings of your company. In addition, the larger production of milk and the continued low market values of butter and cheese have caused a considerable quantity of milk to be shipped into the cities at very low prices, thus permitting severe competition, which has lowered the price of milk and cream and in this way affected the margin on which your company has to operate.

Reduce Operating Expense

"The operating expenses for the current fiscal year ending March 31, 1933, will be over $300,000 less than the previous year.

"Federal, provincial and municipal taxes have, however, been considerably in excess of previous years, and these increases together with the 6 per cent sales tax on ice cream, which was put into force in April, 1932, caused an increase in the taxes of your company during the current fiscal year of approximately $50,000.

"Your company does a large volume of business with various relief organizations. These sales are made at prices which are lower than the regular retail prices and have, to that extent, affected the earnings of your company."

CONSOLD. FELT REGISTERS GAIN IN NET INCOME

Deficit Reported After Taking Care of All Charges

From Our Own Correspondent

MONTREAL.—A moderate improvement was reported in the operating income of Canadian Consolidated Felt Co., subsidiary of Dominion Rubber Co., for the past year despite rather unsatisfactory marketing conditions.

While net operating profits were slightly larger in 1932 than in 1931, the balance was insufficient to cover depreciation and other charges as shown in the following comparative income account:

	1932	1931
Net sales	$784,113	$744,739
Expenses	750,226	739,806
Oper. profit	33,886	4,932
Int. on bonds	11,722	11,807
Balance	22,164	*6,954
Depreciation, etc.	47,469	33,584
Balance	*25,305	*40,502
Prev. balance	349,385	389,888
P. & L. balance	324,080	349,385

*Debit.

Working Capital Position

	1932	1931
Current assets	$183,841	$191,058
Current liabs.	26,230	41,795
Working capital	$157,611	$149,263

Minor Changes Noted

There has been a small contraction in the value of assets, which amounted to $2,549,863 at the end of last year as compared with $2,587,181 on December 31, 1931. Current liabilities have been reduced from $41,795 to $26,230.

Funded debt has been lowered from $196,000 to $195,000, while preferred and common stocks outstanding remain unchanged.

Among current assets cash on hand shows a moderate reduction, while inventories have increased from $80,842 to $91,081.

Goodwill still constitutes the most important item in the balance sheet, being carried at $1,925,787. Property account has been reduced by about $30,000 to $424,699. Other items on the balance sheet show relatively little change.

Saskatchewan Loan Earnings Are Lower

Net profit of Saskatchewan Loan & Investment Co. dropped from $4,713 in 1931 to $1,887 in 1932 after provision for loss of $2,249 on real estate sold and $373 on discounts. Assets showed slight increase to $454,682. Assets consist of mortgage loans of $317,642; contracts receivable of $51,189; accrued interest of $1,705 and real estate and farm lands at $87,125 which are subject to depreciation reserve of $3,614. Mortgage loans are down by $15,600 while contracts receivable are up by $5,000 and real estate and farm land are up by $9,000.

No change is shown in capital or reserve. Loans payable to the Royal Bank are down to $12,793 from $14,251 but accounts payable are up to $2,676 from $175. No interest has been charged or accrued on mortgages which may have to be foreclosed and where collection is doubtful.

Earnings Record

Year	Paid-up Capital $	Net Profits $	Div. Rate* %	Rate Earned Per Sh. %
1928	361,470	25,250	6	7.0
1929	365,169	18,656	6	5.1
1930	365,194	10,961	.	3.1
1931	365,194	4,713	.	1.3
1932	365,194	1,887	.	0.5

*On permanent stock.

Year	Total Assets $	Reserve Funds $	Mortgage and Real Estate Loans $
1928	437,204	40,000	338,290
1929	445,753	40,000	346,000
1930	440,064	40,000	354,780
1931	452,050	40,000	329,215
1932	454,682	40,000	317,641

Cahan at Geneva Speaks for Canada

Verbatim Record of League Address of Secretary of State Shows Stand Taken in China-Jap. Controversy

Address by HON. C. H. CAHAN, Secretary of State for Canada before 13th Plenary Meeting of League of Nations at Geneva, December 8, 1932.

So much discussion has been caused by the address of Hon. C. H. Cahan, at Geneva, in which he outlined Canada's attitude toward the Manchukuo dispute, that The Financial Post publishes his remarks in full. They have not previously been published in Canada.

It was recently denied at Ottawa that Chinese business men were boycotting Canada because of Mr. Cahan's address.

As the delegate of one of the two North American States which are members of this assembly, it is perhaps befitting that I should crave the indulgence of my fellow members while I presume to discuss certain of the grave issues with which we are now confronted.

Owing to the distance now separating me from the seat of my government and the difficulties in communicating fully to my government the views of the several delegates who have addressed this assembly, the opinions I am about to express are more or less personal; but, nevertheless, I think they are opinions in which my government will concur.

Orient Neighbor to Canada

As we circle the globe, the East becomes West and both China and Japan are the closest western neighbors of Canada. We realize that our people differ from the peoples of those two countries respectively in mentality, in education and culture, and particularly in respect of the underlying philosophies and perhaps in respect of the standards which form the bases of our respective religious, social and political institutions.

Nevertheless, we have with the peoples of China and Japan longstanding relations of amity and goodwill and perhaps a clearer understanding and a keener appreciation of their splendid intellectual and moral attainments than prevail in some other distant countries. We think that the people of neither of these two countries is to be judged finally and exclusively by the different standards which our western civilization has developed.

In entering upon the consideration of the issues involved in this discussion, we should not entertain exaggerated ideas respecting the extent to which the authority and stability of the League of Nations may be diminished or destroyed by any decisions which this assembly may now take in sincerity and with good conscience.

Strength of League

The paramount position and authority of the League is disclosed and fully affirmed by the very fact that two great peoples now appear before and appeal through this asembly, on grounds of political justice and fair and equitable dealing, to the moral consciousness and intelligent opinion of the whole world. That fact alone ensures the stability and continuity of the League. Nor do I think that there is the slightest ground for any fear that this assembly, in finally expressing its findings, will depart from the principles which are embodied in the Covenant of the League.

We who have long lived under a written constitution—and the League Covenant may fairly be described as a written constitution—know full well the difficulties which arise from week to week in the matter of defining and construing the underlying principles of the institution and in the equitable application of those priniciples to the incidents which successively arise under the rapidly changing conditions of our modern life.

Conditions of Membership

The prescribed conditions for admission to membership of the League of Nations are that the applicant shall be a fully governing state and that it shall give effective guarantees of its sincere intention to observe its international obligations. The clear assumption was that each member state should be directed by a strong central government, capable of maintaining peace, order and good government within its own territorial jurisdiction, and also capable of fulfilling its obligations under the Covenant of the League of Nations. It is doubtful to my mind whether the National Government of China has yet been in a position to comply fully with these conditions.

Territorial rights and interests affecting China and the interests collateral thereto which are now pending between China and her neighbors came very closely under consideration in the negotiations that resulted in the signing of the Nine-Power Pact of Washington on Feb. 6, 1922, which was subsequently ratified on Aug. 5, 1925.

Canada Signed Treaty

Canada, as one of the British Dominions, was one of the signatories to that treaty. That treaty, as framed and adopted, was "designed to stabilize conditions in the Far East, to safeguard the rights and the interests of China, and to promote intercourse between China and other powers upon the basis of equality of opportunity." It was well known at that time to all the powers which were represented in those negotiations that China was in a condition of political and social disorganization, that it had no central or federal Government which was then capable of maintaining peace, order and good government, even throughout the territorial limits of China; but, nevertheless, there was an underlying desire and expectation, in which the representative of Canada participated, that that Republic, by the formal recognition and moral support of the signatory powers, might thereafter "develop and maintain for itself an effective and stable government."

As stated by the U.S. Secretary of State in his formal letter of Feb. 24, 1932, the Nine-Power Treaty—

"Represents a carefully developed and matured international policy intended, on the one hand, to assure to all contracting parties their rights and interests in and with regard to China and, on the other hand, to assure to the people of China the fullest opportunity to develop without molestation, their sovereignty and independence," in the expectation that "she would require many years of both economic and political effort to that end, and that her progress would necessarily be slow."

That treaty did not purport to diminish or to terminate any of Japan's then existing rights or interests in or in respect of China.

Chinese Infringement

It seems to me that the institution and maintenance by the Chinese Government or with its passive approval of attempts at intimidation against the citizens of any state which is a party to that treaty, or any attempt by unilateral action to abrogate or diminish the treaty rights of any other state in or in respect of China, must be regarded as a grave infringement by China of the existing rights of other states and manifestly provocative of emergency action by such other state for the purpose of protecting such rights. In our law, we affirm as an invariable maxim of good conduct that he who seeks equity must first do equity.

Sir Austen Chamberlain, in his letter of Feb. 8, 1927, to which the Japanese delegate referred, and which is published on page 292 of the official journal of the League of Nations, 1927, affirmed that the government of Great Britain still adhered to the policy embodied in the Washington Treaty, but—

"Its complete success depended upon co-operation between the powers concerned and a single central government in China.

"Unfortunately, since 1922, China has become more disunited than ever. For instance, the Canton Government was in 1922 confined to the city of Canton. Even then it was in revolt against the central government of Peking, and did not consider itself bound by the undertakings entered into by the central government's representatives at Washington. That Canton Nationalist government has now increased its authority over the greater part of the country south of the Yangtze River, and claims to be recognized as the only government of all China. This fact has modified the hypothesis upon which the Washington policy was based."

Sir Austen Chamberlain, also asserted that:

"Further, the extremists of the Canton Nationalist party have singled out the British peoples for an implacable campaign of calumny and boycott. Indeed, enmity against British peoples has been deliberately and persistently cultivated by this section and its advisers in order to promote the solidarity of the Nationalist party and stimulate its aggressive spirit."

After having cited certain events which had occurred, Sir Austen added:

"It was clear from these episodes that there is no guarantee for the safety of British lives and property in Chinese cities under the authority of the Nationalist government in the present revolutionary state of affairs. Any incident may lead to bloodshed."

This special communication to the League of Nations on behalf of the government of the United Kingdom concludes as follows:

"In any case, His Majesty's government have felt it right to make this communication to the League of Nations so that its members may have before them a full statement of His Majesty's government's policy in China and may understand how completely it is in accord with both the letter and spirit of the covenant. His Majesty's government deeply regrets that there does not appear to be any way in which the assistance of the League in the settlement of the difficulties in China can be sought at present. But if any opportunity should arise of invoking the good offices of the League, His Majesty's government will gladly avail themselves of it."

Japanese Boycott

A similar letter to that of the British Government, dated Feb. 8, 1927, with equal veracity and cogency, might have been written by the government of Japan in reference to the boycott of its traders and the intimidation and aggressively hostile treatment of its subjects in China in 1931.

But, even if the Japanese Government felt impelled to deal suddenly and temporarily with similar conditions in a great emergency, it would now be impossible to justify the development, out of its own emergent action, of a permanent occupation of any part of a neighboring state, or the permanent extension of its own territorial rights therein.

In Canada, we find it necessary to make frequent applications to our highest federal court for advisory opinions to enable us properly to construe the express provisions of our constitution; and, fortunately the League of Nations may seek the advice of the Permanent Court of International Justice in case grave differences of opinion arise as to the proper construction of any of the provisions of the Covenant of the League.

Nevertheless, it must be carefully borne in mind that, under the terms of Article 10 of the Covenant, it was only as against "external aggression" that the members of the league undertake to respect and preserve the territorial integrity and existing political independence of all other members of the league.

As stated by the Prime Minister of Canada in a memorandum of March 13, 1919, which he presented to the Paris Peace Conference.

"The undertaking expressed in Article 10 seems to involve initially a careful study, consideration and determination of all territorial questions between the States which are parties to the covenant. Even if such a survey were practicable, it is impossible to forecast the future; there may be national aspirations to which the provisions of the Peace Treaty will not do justice and which cannot be permanently repressed."

But the Peace Conference was thereupon assured that this article was merely designed to prevent the alteration of the existing frontiers of any state by the aggressive action of any other state.

Canada and Article 10

On Dec. 4, 1920, a motion was proposed at the assembly, on behalf of the Canadian delegation, to strike out Article 10 from the Covenant, but this and other cognate motions then under consideration were referred by the special committee of the assembly to an advisory group of jurists, whose report was presented to the third assembly in Sept., 1921. They were of opinion that, under Article 10, the council could not impose duties upon the member states, but only advise as to the means to be employed to assist a state which was the victim of aggression.

It seems to me that this Assembly may not wholly disregard the emphatic statement made at the opening of this discussion by M. Matsuoka, the delegate of Japan, that the Japanese Government has not at any time allowed itself to be connected with the independence movement in Manchuria, that it did not then and does not now want Manchuria, but that it only desires the preservation of its rights and interests therein.

Should Exhaust Article 15

In applying Article 10 to the present issue care must be taken therefore, not to establish a precedent which in the future may be deemed to exceed the terms of this article as already construed by competent authority. In attempting a solution of these very difficult and delicate problems, it appears to my government desirable that the assembly should first exhaust the possibilities of conciliatory settlement under paragraph 3 of Article 15. Any discussion of sanctions or action against a party unwilling to accept settlement would be out of place at this stage of our proceedings.

The Lytton Commission was appointed for the definite purpose of "studying on the spot and reporting on any circumstance affecting international relations which threaten to disturb peace between China and Japan or the good understanding between them upon which peace depends." That commission was a purely advisory body, but the presentation of its report will have enabled members of the league, through their representatives at this assembly, to indicate how far they consider (a) its finding of fact correct, and (b) its recommendations as affording a possible basis of settlement of the existing dispute.

Can Accept Lytton Findings

As to its findings of fact, the discussions which have taken place in the council and before this assembly do not appear to impugn, except in two instances, their general fairness and accuracy, and the assembly can probably accept these findings as the premises of its future action, even if it does not base it entirely upon the particular recommendations made by the commission.

The Lytton Commission lays down certain general principles or conditions of an enduring settlement, including:

1. Compatibility with the interests of both China and Japan.
2. Conformity with the Covenant, the Pact of Paris and the Nine-Power Treaty.
3. Recognition of Japan's right and interests in Manchuria, and:
4. International co-operation in Chinese reconstruction.

In conformity with these principles, the commission recommends

1. That China and Japan be invited to discuss a solution of the disputes on these lines.
2. That Chinese sovereignty over Manchuria be recognized by according to Manchuria a large measure of autonomy.
3. That treaties be made between China and Japan providing for the protection of Japanese interests in China, and generally for the establishment of permanent commercial relations between Japan and China, and for providing procedure for the amicable adjustment for future differences.

Suggest Permanent Body

My government would respectfully suggest that this last recommendation might, as in the case of disputes arising between the Dominion of Canada and the United States of America, be satisfactorily carried into effect by the establishment of a Permanent Joint International Commission, in which both parties would be represented and before which both parties could effectively present their pleas.

These principles embodied in the Lytton report appear to constitute the framework of a permanent settlement. Their detailed application would depend upon the development of the situation; but, on the whole, the recommendations made in this report appear useful and reasonable.

Canada Admonishes Japan

It appears to my government very desirable, as a life-long friend of Japan, that the government of that country should not take up irrevocably a position of isolation and hostility to the league and I trust that, with reasonable patience, it will be possible for the league to work out a settlement which Japan can see its way to accept.

If Japan indicates any genuine readiness to seek a solution consistent with league obligations as well as her own special interests in Manchuria, it would seem undesirable to make such a settlement difficult by precipitate action. At the same time, after having exhausted all available means for effecting the reconciliation and amicable agreement of the two parties, further delay without any clear evidence of readiness to co-operate in the part of Japan might prove most unfortunate.

If, as has been suggested, the United States of America and the Soviet Union should be asked to co-operate with the Committee of Nineteen or with some other special committee of the assembly, the Canadian Government would endorse the adoption of such a procedure. Above all, we desire the permanent reconciliation and agreement of our two friendly neighbors, China and Japan, and the continued co-operation of both as members of the league in fulfilling its paramount purpose of preserving the peace of the world.

N. S. COLD STORAGE OMITS INTEREST ON SENIOR ISSUE

Harbor Commission Seen as Possible Purchaser of Property

From Our Own Correspondent

MONTREAL.—Interest on the $1,700,000 of 6 per cent first mortgage bonds of Nova Scotia Public Cold Storage Terminals is still in arrears since May, 1932. Negotiations are still going forward with regard to the sale of the property and it is anticipated that the next month may see completion of retails.

It will be remembered that early last year bondholders were asked to sanction the release of certain property from operations of the trust deed and mortgage and other conditions, since negotiations were then being conducted with certain interest and authority to act for the bondholders was desired. Bondholders gave their approval to these requests.

Public investment interest in the company is largely confined to the first mortgage bonds which were issued in 1928. The Dominion Government provided 30 per cent of the construction cost but since completion the plant has not developed an appreciable earning power.

At one time there was a danger of the plant having to be shut down owing to lack of revenue. Possibility of a sale to the Harbor Commission is seen in the remarks of Sir Alexander Gibb who commented on the storage plant situation in his national ports survey:

"The Halifax cold storage plant is a well designed plant and reasonably economical to run. From evidence that was produced by the commissioners it would appear that with the economies that they believe they could introduce if the plant were in their hands, operating expenses could be more than met. I am not in a position to substantiate this view, but I consider that in the interests of the port and the fishing industry the Harbor Commissioners should take all possible steps to prevent the cold storage plant ceasing to operate, provided it is not sought to saddle the harbor with unjustifiable liabilities.

"The fact that the plant occupies valuable harbor property on a very long lease is an added justification for the commissioners interesting themselves in the matter. The Harbor authorities would not, in my opinion, be justified in taking over the plant unless the price asked is related to the actual receipts that can reasonably be expected from the plant and is fully justified by the direct and indirect return to the users of the port and the country generally."

General Steel Retires Block of Own Bonds

From Our Own Correspondent

MONTREAL.—Redemption of a further block of $100,000 of bonds by General Steel Wares during January and February last, is stated in a notice sent by General Steel Wares to the Montreal Stock Exchange. This brings the company's outstanding funded indebtedness down to $7,728,000 as compared with the original issue of $9,000,000 brought out in 1928.

Sales of the company have not undergone any improvement since the beginning of the year. In the annual report for 1931 it was pointed out that business handled had declined 18.6 per cent during the twelve months. Returns for the first two months of 1933 indicate a further shrinkage in business. Earnings are further limited by increasing taxation. Last year the company paid an aggregate of $461,000 in taxes and it is likely that the amount will be somewhat higher during the current year.

No information is available as yet on the company's intentions regarding the half yearly interest payment due on the first mortgage bonds at the beginning of next month. An announcement along these lines is expected some time during the next two or three weeks.

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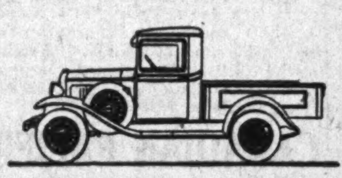
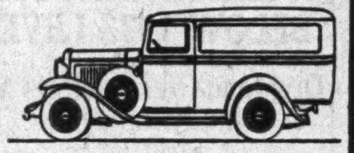


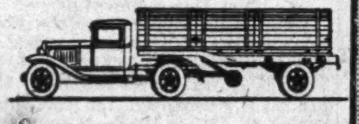
Chevrolet Standard Panel



Chevrolet Stake Body—42" Racks

Chevrolet Stake Body—50" Racks

Maple Leaf Tractor with Trailer



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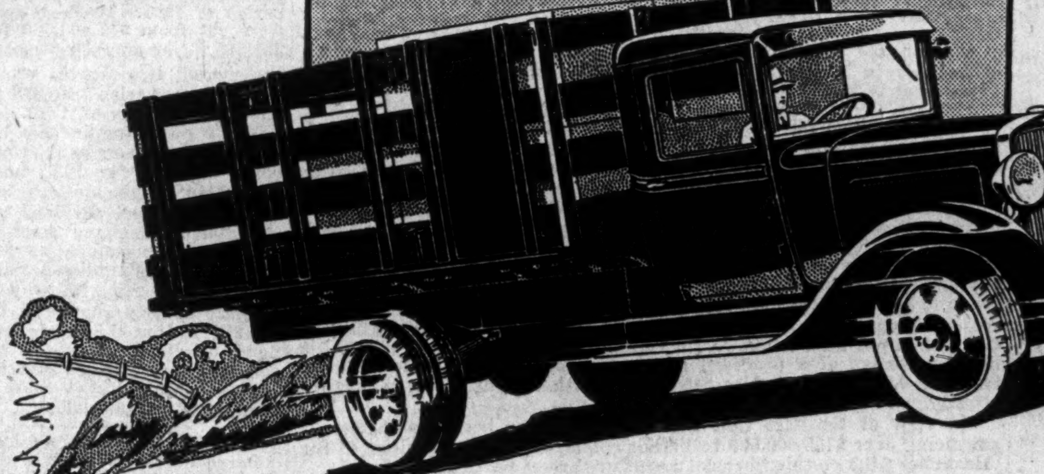
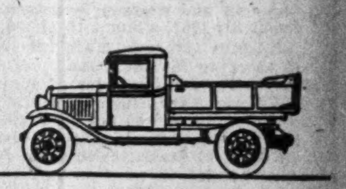
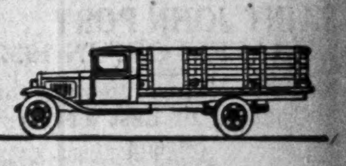


Chevrolet Dump Truck

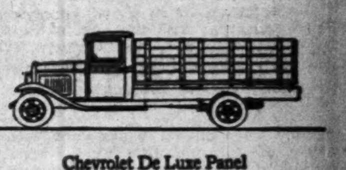


Chevrolet Sedan Delivery

Chevrolet Stake Body—36" Racks



Chevrolet Utility and Grain Truck



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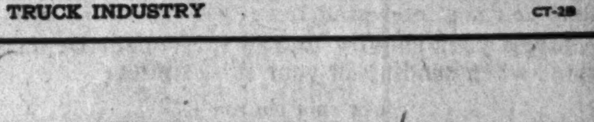
CHEVROLET LEADERSHIP

Charted from official registration figures as at December 31, 1932



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Utilities and Transportation

SIN MAC LINES REPORTS DEFICIT FOR LAST YEAR

Committee Suggests Another Year to Determine Earning Power

From Our Own Correspondent

MONTREAL.—In presenting the financial statement on operations during 1932, the Bondholders' Protective Committee of Sin Mac Lines recommends that continuance of operations as at present until another season's operations allow the formation of a more definite opinion on the company's earning power.

Operating conditions last year were not conducive to an increase in earnings. Gross income suffered a reduction from $626,138 in 1931 to $398,513 in 1932, a decrease of $227,625. Offsetting this decline in revenue was a reduction in operating expenses of $222,533, leaving an operating profit of $63,190.

Particulars of the income for 1932 follow (comparative figures for 1931 are not available as the company did not issue a report owing to its having gone into liquidation):

	1932
Operating profit	$ 63,190
Less: Ins. reserve	37,500
Depreciation	186,543
Bad debt res.	2,584
Dep. inventories	10,260
Bond interest	......
Balance	173,697
Add: Bond committee	4,699
Liquidation	510
Loss, sale of assets	37,410
Net loss	216,316
Brt. forward	460,429
Carried forward	676,745

Working Capital

	1932	1931
Current assets	$251,657	$235,268
Current liabs.	66,191	76,835
	$185,466	$159,433

No Interest Provided

The balance sheet at the end of 1932 showed total assets of $2,540,501. Funded debt and accrued interest to December 31, 1931, amount to $1,435,830. No provision was made for interest accruing in 1932.

Reserve for contingencies amounts to $2,500 and for insurance $37,500. The latter reserve was set up during the year as the company discontinued certain lines of insurance in order to effect economies.

Preferred stock outstanding totals $906,000, dividends on which are in arrears since July 1, 1930. There is no change in common stock, 53,120 shares having been issued.

Among the assets, fixed assets are carried at $2,330,650 with a reserve for depreciation of $733,909, making a net book value of $1,596,741.

The profit and loss account deficit stands at $676,745, up from $460,429 at the end of the previous year.

SAINT JOHN PORT TRAFFIC OFF IN 1932

New Facilities Ready for Opening of Last Year's Season

From Our Own Correspondent

MONTREAL.—Continued decrease in shipping through the port of Saint John during 1932, particularly the exports, is attributed by the Harbor Commissioners to the general depression which has been experienced throughout the world. The export figures were about 20 per cent below those of the previous year, largely owing to the smaller volume of grain exported. During 1931, over 300,000 tons of grain were exported from the port, as compared with about 180,000 tons during 1932. Imports, on the other hand, were fairly well maintained, being less than 10 per cent below the previous year.

In addition to grain, the export decrease has been particularly noticeable in bananas, lumber and fuel oil. The only commodities which showed any perceptible increase was the import of coal from Britain.

Volume of Traffic

During 1932 imports into the port of Saint John amounted to 554,859 tons. This compares with 596,596 tons in 1931 and with 681,314 tons in 1930. Exports last year amounted to 546,842 tons as against 684,081 tons in 1931 and 724,304 tons in 1930. It is noted that the export of general commodities has held up fairly well, the decline being more particularly noticeable in grain exports.

The number of sea-going vesels arriving at the port of Saint John during 1932 was 466, with the net tonnage of 1,357,411. During the previous year 465 sea-going vessels arrived at the port, having a net tonnage of 1,263,978. In both years British vessels predominated, accounting for approximately half of the number and nearly two thirds of the tonnage reported.

Facilities Were Ready

It will be recalled that the port facilities of West Saint John were burned in June, 1931. The reconstruction was commenced immediately and the commissioners report that the facilities were in full operation from the beginning of 1932. On account of the transit sheds and grain-conveying equipment being superior to the previous structures, the port authorities were enabled to handle the peak traffic during the winter months without undue delay, notwithstanding that only about 65 per cent of the original accommodation was reconstructed.

Lime Rock Gains Importance

Lime rock is playing an increasingly important part in the creation of new industries, and mention is made of one concern in Winnipeg which is importing oyster shells from the Gulf of Mexico for mixing with crushed limestone, and marketing poultry grit throughout western Canada.

Old Procedure Fails to Check Port Waste

Unwarranted Developments Involve Heavy Over-Expenditures While Inadequate Engineering Adds to Capital Costs

From Our Own Correspondent

MONTREAL.—Antiquidated governmental procedure in financing capital works, inadequate control of expenditures, and lack of proper engineering, have gone hand in hand with the spending of $120,000,000 on Canadian ports in the past ten years. Harbors admittedly must be subsidized, but there has been a tendency among harbor interests to play the game for all it is worth. Expensive and unwarranted developments have been undertaken, involving heavy over-expenditures. Inadequacy of engineering has added its burden to capital costs, while a cumbersome governmental procedure, in spite of an intricate system of checks, has failed to secure the financial object, namely, the prevention of waste of federal funds.

The port racket has been a profitable one. Millions of dollars have been poured into contractors' pockets as additional works have been undertaken each year, works which were not necessary, which were non-revenue-producing, and which only added to the annual charge on the national treasury.

Port Racket Has Absorbed Millions

With laxness prevalent in the system surrounding port developments there has been an inevitable wastage of government money. The port racket has absorbed large sums in uncalled for expenditures and the Gibb report gives an instance of how the treasury is mulcted. "There have," it says, "been occasions in the past when the development of rival sites and changes of policy have involved enormous, and often unproductive, expenditure. The ocean terminals at Halifax, Wolfe's Cove at Quebec, and the north shore developments at Vancouver are cases where, instead of consolidating existing facilities, what amounted in each case almost to a new port, was established. The inevitable result of such dissipation of effort is increased operating costs and a reduction in efficiency. The Courtenay Bay scheme at Saint John and the Upper Saint Charles River scheme at Quebec are instances of unfinished and entirely unproductive expenditure."

Of the total of $133,000,000 advanced in loan to harbor commissions to date, much is valueless and about half of these loans are now carried as non-active assets in the government's balance sheet.

Inadequate Engineering Boosts Costs

But what is most regrettable is the fact that full value has not been obtained for this huge outlay, owing to divergent policies and changes of plans, and, to some extent, failures in designs and engineering which might have been avoided. Sir Alexander Gibb, in his national ports survey, said: "I find that the principal causes of failure or inadequacy in engineering and of heavy over-expenditure in the past have been:

(a) Inexperience in port layout and operation; resulting in unworkable or uneconomic piers and wharves.

(b) Insufficient data, or failure to appreciate the data; by which inappropriate sites are chosen, where for instance silting may demand continuous dredging, or cross-currents make navigation difficult or dangerous.

(c) Inappropriate design of structures, which are sometimes based on works at other ports where conditions may be different.

(d) Insufficient preliminary study of the conditions and of details of the design; which, coupled with inexperience and optimism, is the usual reason why so many engineering estimates are exceeded.

(e) Inadequate staff, resulting in the details being left to the contractor to work out.

(f) Inexperience of large contracts; as a result of which the contract documents are often difficult to administer satisfactorily, and the contracts are allowed to get into a state of confusion.

Ports Undertake Own Engineering

In the light of an average annual expenditure of $12,000,000 on harbor developments it is interesting to examine conditions surrounding engineering and construction of port works. It has been the practice for the ports to employ their own engineering staff for all new work. Only in Vancouver in recent years and in some of the smaller ports has it been customary to enlist outside professional services. In the others, the original proposals, the detailed plans and estimates, preparation of contract documents and the letting and supervision of the contracts, and the making of interim and final settlements have all been in the hands of the port's chief engineer, subject to the submission, at the outset, of the plan to the chief engineer of the Marine Department.

The latter's department has many other duties besides harbor work and Gibb considers that it has neither time nor the staff to make full detailed examination of all plans and designs submitted, or properly to check the estimates. The opinion is expressed that the engineering staff of a port is primarily intended for the maintenance and efficient operation of all machinery, plans and facilities, and for undertaking minor improvements. Recommendations for placing port engineering on a sounder footing are contained in the report. Will the government act on them? Already it has adopted one of the Gibb recommendations by transferring $26,000,000 of advances to harbor commissioners from the active to the non-active list of government assets. This sum represented loans to Halifax, Saint John, Three Rivers and Chicoutimi Harbor Commissions.

It is apparent that actual construction of some port work has not been carried out in such a way that full value has been obtained from the millions so spent. It might be well to go back further and survey conditions surrounding the financing of these undertakings. In this respect the Gibb report baldly states:

> "The administration of the national ports' finances and the general financial control exercised by the Dominion Government over their capital expenditures have recently proved less than adequate; to some extent, I think, because of abnormal conditions existing for some years prior to 1929. In addition, the uncertainty of the Government's actual power of control, particularly in Montreal, seriously handicaps the efforts of the Marine Department to keep hold on expenditures."

Cumbersome Procedure is Flayed

How are funds raised for port development? Although the Harbor Acts contain powers to raise loans by debentures, with few exceptions capital works have always been financed through special acts of Parliament At least three separate applications and sanctions are required. First the government has to be satisfied with the new proposal, then plans and estimates must be submitted, after the act has been passed, and approved by the Governor-in-Council. Thirdly, each monthly statement has to be passed through council before commissioners receive payment. Discussions on Harbor Commissions in the House of Commons are only possible when they come up for loans, often at the end of a session, thus weakening opportunity for criticism. Gibb was informed that it had not been unknown for the Minister of Finance to obtain his first knowledge of a proposed heavy expenditure when a new harbor loan bill was actually before the council, with various of his colleagues already more or less committed.

In view of the fact that this machinery has been the means of advancing over $133,000,000 to harbor commissions, the opinions of Sir Alexander Gibb on this financial procedure are of particular interest:

> "It is quite clear, moreover, that the ports have been seriously handicapped principally when new works have been under construction, by the delay in getting approval of Government to important matters.....Harbor commissions have generally to finance new works for several months and at times for considerably longer periods. As a natural reaction they have been rather inclined to exploit the unsatisfactory position and to undertake work, without authorization, financed by bank loans which they have no power to raise and for which the banks apparently required no security. So far as these unauthorized loans are concerned.....I understand the department has since taken drastic measures to clear the position.
>
> "Another example of irregular financial procedure has been the financing of capital works from surplus revenue, with the intention, generally successful, of ultimately persuading the Government to sanction and finance their completion as capital works. I notice too that a common practice has been the submission of incomplete schemes which after sanction have been found to involve extensive works, further works and appropriations, the necessity for which should have been anticipated."

Such are some of the conditions which have brought most of the harbors to permanent and incurable insolvency. Harbor commissions have lost their grip on financial control; they are regarded as official organizations for the control of important patronage. Politics and harbors have become inextricably intermingled as witnessed by thousands of feet of idle, poorly built, capital works dotted about various Canadian ports. Will the commission system continue?

More details about the port racket in an early issue.

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Montreal Island Power Wins Lower Assessment

From Our Own Correspondent

MONTREAL.—Valuation of $217,000 placed by the Town of Laval des Rapides on property acquired by the Montreal Island Power Co., now controlled by Montreal Light, Heat and Power Consolidated, when it flooded land along the Riviere des Prairies, was reduced to approximately $100,000 by the Circuit Court, who maintained an appeal of the company from a decision of the town council.

It was shown at the trial that the town had assessed the company's property in 1932 at about double the assessment of adjoining properties, the assessors' reasons for so doing being their conclusion that it was property used for industrial purposes. As the power plant using the waters of the Rivieres des Prairies is seven miles away from the land involved in the dispute, the court thought the assessors had used their imaginations a little too freely.

Grain Loaders Speed Handling

Of the four grain loaders included in the $160,000 programme for the docks at West Saint John, two are already in operation and the others will follow shortly, according to Harbor Board officials.

BOAT SERVICE TO WEST INDIES COST $1,293,000

C. N. West Indies Steamships' Deficit Lowered in 1932

From Our Own Correspondent

MONTREAL.—Operation of the Canadian National (West Indies) Steamships Ltd. and subsidiary companies over the last five years has resulted in a deficit of $5,118,927.

During the past year this service, which was subsidized to the extent of $172,813, had a total operating deficit of $283,715 and a deficit after adding interest on bonds held by the public, of $753,715. This compared with $916,568 in the previous year. Further charges are seen in depreciation, interest due to the Government and amortization of discount. When these are taken into consideration the West Indies service had a total deficit for 1932 of $1,293,014, or about $52,000 less than in the previous year.

Details of Income

Particulars of the income account follow:

	1932	1931
Oper. revenue	$3,323,078	$3,648,986
Oper. expense	3,606,793	4,095,555
Oper. deficit	283,715	446,569
Add: Int. on bonds	470,000	470,000
Depreciation	321,262	294,141
Int. due govt.	214,943	131,557
Amort. disc.	3,094	3,094
Net deficit	1,293,014	1,345,361
Def. br't. forward	3,825,913	2,480,552
Def. car. forward	5,118,927	3,825,913

Transfer Three Vessels

During the year three vessels were transferred from the C. G. M. M. to the West Indies' fleet at a value of $1,167,120 and four smaller vessels were transferred back to the C. G. M. M. fleet at a value of $354,089. This exchange is reflected in the company's total assets which stood at $11,535,580 at the close of 1932 as against $10,555,431 on December 31, 1931.

Investment in vessels increased from $9,848,167 to $10,665,567. Cash on hand remains about the same, while the insurance fund has increased from $539,145 to $703,486.

There is no change in capital stock or funded debt. Dominion of Canada account shows an increase from $3,427,690 to $4,905,455. Amounts owing to the Canadian Government Merchant Marine have also increased, from $2,363 to $313,181.

CANADIAN PACIFIC OPERATING INCOME BELOW 1932 LEVEL

Dividend by Smelters in January Improves Position

From Our Own Correspondent

MONTREAL.—Net operating income of the Canadian Pacific Railway for the current year to date is on a scale of about one half of that reported for the corresponding period last year. No improvement is noted in operating income and while further substantial reductions have been effected in expenses, the drop in revenue continues to exceed savings.

Gross earnings for February, 1933, amounted to $7,096,887. Working expenses were not far behind, amounting to $7,000,276, so that net income for the month totalled only $96,611. For the same month last year gross income was $9,043,278, expenses $8,813,845, and net operating income $229,454.

Net Down One Half

Cumulative returns for the first two months of this year reveal a gross operating revenue of $14,772,548, down $3,474,700 from the $18,247,249 reported for the same period of 1931. Working expenses were cut from $17,400,336 to $14,352,565. Net operating income for the current two months was $419,983 compared with $846,913 for the first two months of 1932.

While operating income has not held up this year to date, the income account for 1933 has been benefitted by the declaration of a 10 per cent stock dividend by Consolidated Mining and Smelting Co. of Canada, inasmuch as no dividends were declared last year. The Canadian Pacific Railway owned roughly 305,000 shares at the end of 1932, so that the 10 per cent dividend on Smelters would net the company over 30,000 shares having a current market value of approximately $2,000,000.

Saint John Port Activity

Cargoes handled through the Port of Saint John, in the first three months of the corresponding period of the 1931-32 season, the Harbor Commission reports. The total was 548,457 tons compared to 407,747 tons for the same period during the previous season.

Public Utility Earnings

Canada Northern Power

February:	1933	1932	Increase
	$	$	$
Gross earn.	297,119	287,314	9,805
Oper. exp.	88,553	88,678	*125
Net earn.	208,556	198,635	9,930
Two Mos. end. Feb. 28:			
Gross earn.	604,083	582,420	21,663
Oper. exp.	178,200	178,350	*150
Net earn.	425,883	404,070	21,813

*Decrease.

Winnipeg Electric

February:	1933	1932	Decrease
	$	$	$
Gross earn.	461,404	502,113	40,709
Oper. exp.	319,720	342,355	22,635
Net earn.	141,684	159,758	18,074
Two Mos. end. Feb. 28:			
Gross earn.	958,720	1,028,744	70,024
Oper. exp.	647,531	691,644	44,113
Net earn.	311,189	337,100	25,911

East Kootenay Power

	1932	1931
Gross income	$32,689	$38,255
Oper. expense	12,825	17,120
Net income	19,864	21,135
11 Months—		
Gross income	$390,086	$441,935
Oper. Expense	130,008	162,899
Net income	260,078	279,036

Jamaica Public Service

February—	1933	1932
Gross earnings	$68,105	$68,583
Net earnings	29,827	29,238
Surplus after charges	20,534	19,906
12 Mos. end. Feb. 28—		
Gross earnings	$787,471	$816,892
Net earnings	324,608	327,266
Surplus after charges	212,910	218,534

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Want to Save $93,000,000? Here's How C. N. R. Did It

For Every Dollar Lost in Revenue in Three Years Government Lines Cut 71 Cents from Operating Expenses

Canadian National Railways had in 1932, $130,000,000 less operating income than it had in 1929. It cut $93,000,000 out of its operating expenses by $93,000,000 a year.

How does a big corporation like the C.N.R. go about cutting its expenses $93,000,000 a year?

It cut staff; 111,400 employees in 1929 became 76,600 employees in 1932.

It cut salaries and wages; compensation paid employees, was $177,000,000 in 1929 and $107,000,000 in 1932.

It cut one-third of its passenger service. Passenger cars travelled 192,300,000 miles in 1929; 130,200,000 miles in 1932.

It naturally operated fewer freight trains. Freight cars travelled 1,370,000,000 miles in 1929; 879,700,000 miles in 1932.

In addition an effort was made to operate the trains more efficiently; use less fuel, load trains more heavily; speed up trains. The freight trains averaged 16 miles an hour instead of about 18½; they consumed 118 pounds of fuel to carry 1,000 tons gross of freight one mile instead of 125 pounds.

Cuts in Maintenance

Chief savings were made in the maintenance of way and equipment. Maintenance of way was cut from $55,000,000 to $30,000,000. Maintenance of equipment was cut from $55,000,000 to $32,200,000.

Consider a few comparative items; spent on replacing ties in 1929, $8,000,000; in 1932, $2,700,000. Spent on replacing rails in 1929, $4,200,000; in 1932, $900,000. Spent on replacing ballast in 1929, $1,300,000; in 1932, $60,000. Spent on repairs to locomotives in 1929, $18,600,000; in 1932, $10,700,000. Spent on repairs to freight cars in 1929, $17,300,000; in 1932, $8,600,000. Spent on repairs to passenger cars in 1929, $7,200,000; in 1932, $4,000,000.

For every dollar spent in 1929 45 cents went to maintaining the property. In 1932 it was only 40 cents. It is obvious that the road is being allowed to run down somewhat. But all railway companies go off a nickel-plate basis in times of depression as do most industrial companies.

Less Money on Promotion

Expenses incurred in going after business have been drastically slashed. Consider advertising which took $1,400,000 in 1929 and $600,000 in 1932. On radio that took $400,000 in 1929 and $80,000 in 1932. On colonization, natural resources, etc., cut from $600,000 to $300,000.

These items are typical and all relate solely to operating expenditures. Capital expenditures have of course been cut even more drastically.

For every dollar of decline in revenues of C.N.R. between 1929 and 1932 it cut about 71 cents off operating expenses. The Canadian Pacific Railway did somewhat better. For every dollar of decline in revenues for the same period it cut about 75 cents off operating expenses. The two sets of accounts are not strictly comparable because of different methods of presenting figures.

SPRING ACTIVITY EVIDENT IN EAST

But Western Cities Find Trade Still Remains Slow

Weekly trade report of the Canadian Credit Men's Trust Association, for the week ending April 1, is as follows:

Halifax.—With the advent of better weather, wholesalers and retailers are anticipating an increased volume of trade, although merchants report that to date no noticeable improvement has taken place. Collections still poor.

Saint John.—Wholesalers report no change in trade conditions from last week. Retail merchants report trade continues fairly good, particularly in small lines. Collections not so good.

Montreal.—Wholesale groceries continue to move fairly well; dry goods very quiet; boots and shoes fair; men's wear showing distinct improvement; ladies' wear also somewhat better; hardware quiet; smallware and novelties fair only. Retail trade slightly better than previous week but still dull. Collections: wholesale show quite an improvement; retail still very slow.

Toronto.—Business on the whole remains dull. Retail merchants appear to be fairly optimistic but wholesalers complain that orders are very poor. Credits carefully restricted. Food products and produce remain fairly level, and prices have improved slightly; footwear reports steady demand; hardware quiet; ladies' ready-to-wear and millinery fairly active; men's clothing and accessories fair. Building trades stagnant. Automotive—slow. Steel—very quiet. Collections slow.

Winnipeg. — Very little change reported in trade conditions from last week. Wholesale groceries continue in fair demand. Boots and shoes, and particularly rubber footwear, report noticeable improvement, clothing and ready-to-wear lines fair. Retail trade on the whole remains quiet. Collections fair.

Regina. — Wholesalers groceries fair; all other lines slow. City retail trade quiet. A very slight improvement in country trade. Collections; wholesale, practically nil except on current accounts. Retail: city, fair to slow; country, very poor.

Moose Jaw.—Wholesale and retail groceries fairly good; wholesale and retail hardware fair; wholesale boots and shoes fairly good. General retail business remains about the same. Collections fair.

Saskatoon.—Wholesale groceries report little or no change over previous week; dry goods remain fair, although no spring demand as yet. Boots and shoes fair only; hardware, fair; oils and greases slightly improved. Retail city trade report sales as improving somewhat. Collections continue fair to slow.

Calgary.—Volume in wholesale and retail groceries keeping up very satisfactorily. All other lines without exception moving very slowly. Collections, fair.

Edmonton.—Wholesale trade generally fair with increased activity in rubber goods and footwear. City retail trade improving with recent mild weather. Current accounts on a close to cash basis; very little being paid on old outstandings.

Vancouver.—No change reported in trade conditions since last week. Generally speaking, sales are about holding their own, and collections on current purchases keeping up to expectations.

FEB. COAL OUTPUT DECLINES FROM 1932

Output is Nearly 20 Per Cent Below Five Year Average

Coal production in Canada during February amounted to 1,036,405 tons compared with 1,188,000 tons produced in February a year ago and 19.6 per cent below the 1928-32 average for the month of 1,288,914 tons. The February, 1933, output consisted of 565,356 tons of bituminous coal, 53,487 tons of sub-bituminous coal and 417,562 tons of lignite coal.

An increase of 4.3 per cent was recorded in the output of coal in Alberta, the month's production being 494,600 tons as compared with 474,398 tons in January. Nova Scotia mines produced 273,942 tons, a decline of 2.2 per cent from the January, 1933, figure. Production in British Columbia, Saskatchewan, and New Brunswick was almost equal to that of January.

Imports of coal into Canada during February amounted to 455,272 tons, or 48.1 per cent below the average for the month over the past five years. Anthracite imports totalled 175,334 tons, made up of 128,049 tons from the United States and 47,285 tons from Great Britain. Bituminous coal imports included 267,342 tons from the United States and 12,015 tons from Great Britain.

Winnipeg Electric Net Income Lower

From Our Own Correspondent

MONTREAL.—Net earnings of the Winnipeg Electric Co. for February last totalled $141,684 as compared with $159,758 in the same month last year. Gross income amounted to $461,404, a decline of $40,709 from the February, 1932, total. This decrease was offset by a drop in operating expenses from $342,355 to $319,720.

Winnipeg Electric reports gross earnings for the first two months of this year at $958,720, from which was deducted operating expenses of $647,531, leaving net earnings of $311,189. For the corresponding two months of 1932, gross revenue amounted to $1,028,744, operating expenses $691,644 and net earnings $337,100.

Canada Northern Power Revenue Records Advance

From Our Own Correspondent

Montreal—Canada Northern Power reports gross income of $297,119 during February last, a gain of $9,805 over the same month a year ago. Operating expenses were reduced by $125 to $88,553, leaving net operating income at $208,556 compared with $198,635 in February, 1932.

Cumulative returns for the first two months of the current year show gross income of $604,083, operating expenses $178,200 and net earnings of $425,883. For the same period in 1932 gross revenue totalled $582,420 and net earnings, after operating expenses, $404,070.

East Kootenay Power Income Registers Drop

From Our Own Correspondent

MONTREAL. — East Kootenay Power Corp. of Canada, reports February gross income at $32,689 as compared with $38,255 for the same month a year ago. Operating expenses were reduced substantially, leaving net earnings for February this year at $19,864 as against $21,135 in February, 1932.

Cumulative returns for the eleven months ended February, 1933, indicate a gross income of $390,086, from which was deducted operating expense of $130,008, leaving a net income of $260,078. For the corresponding period of the previous year, gross income amounted to $441,935, operating expenses $162,899 and net revenue $279,036.

Aluminium Co. Plant Operating at 65 Per Cent

From Our Own Correspondent

MONTREAL. — Operations at the Arvida plant of the Aluminum Co. of Canada are understood to be from 60 to 65 per cent of capacity. There has been no marked change in demand for the company's products since large contracts entered into with the Soviet authorities.

Operations at the company's Shawinigan Falls plant are slowing down, a small reduction in staff having been made lately.

Financial History in the Making

Our April Review and Bond List comments on some of the outstanding world events during March which may find a place in financial history.

Canadian government and high-grade municipal bonds are offered in this Bond List at prices deemed attractive in view of the present trend toward lower interest rates.

We shall be pleased to forward copy of our April Review and Bond List upon request.

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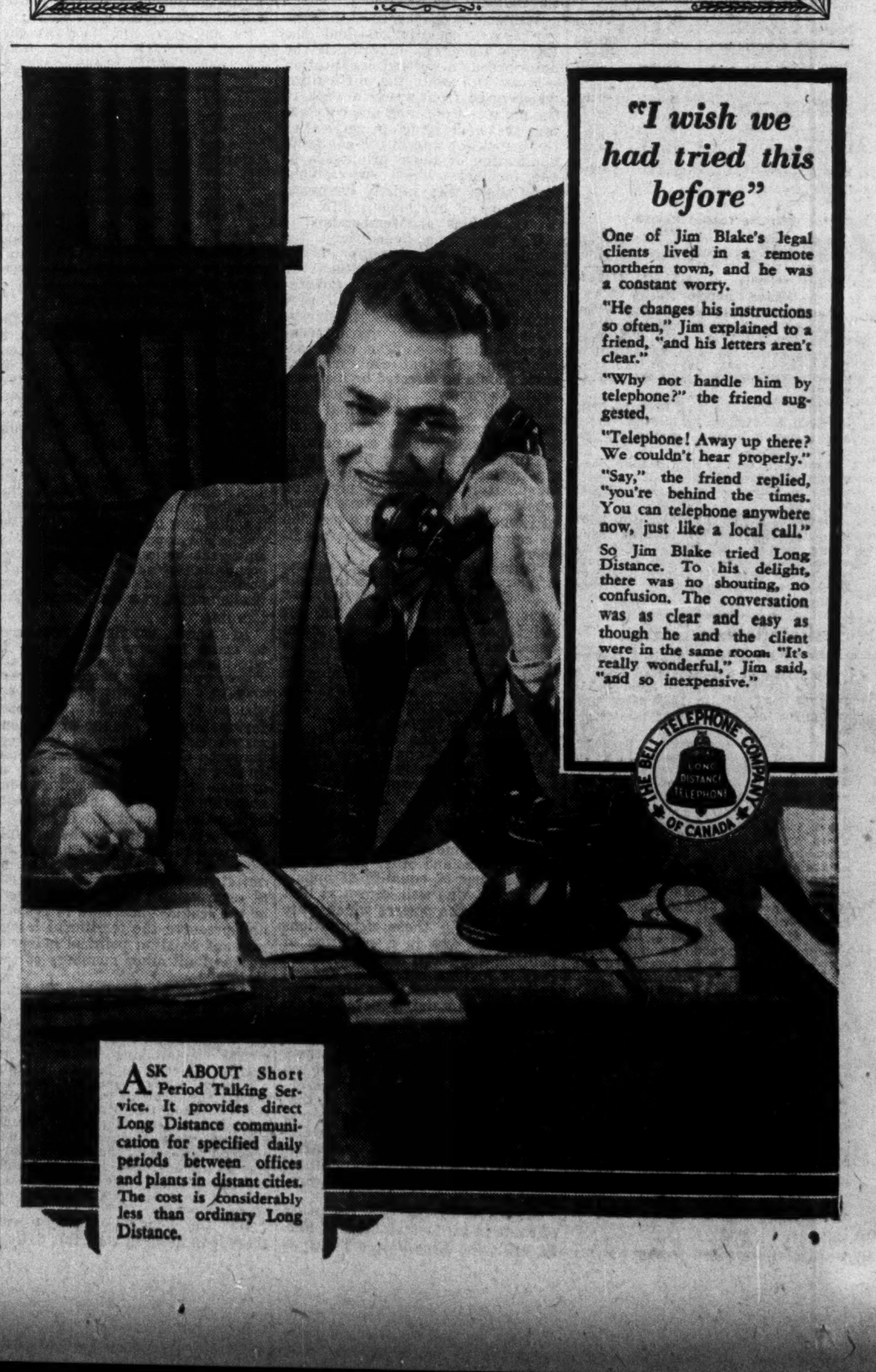

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One of Jim Blake's legal clients lived in a remote northern town, and he was a constant worry.

"He changes his instructions so often," Jim explained to a friend, "and his letters aren't clear."

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"Telephone! Away up there? We couldn't hear properly."

"Say," the friend replied, "you're behind the times. You can telephone anywhere now, just like a local call."

So Jim Blake tried Long Distance. To his delight, there was no shouting, no confusion. The conversation was as clear and easy as though he and the client were in the same room. "It's really wonderful," Jim said, "and so inexpensive."

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News of Investment Markets

GREAT LAKES NOW HAS TITLE TO CONTRACTS

Has Had Gross Profit of $213,321 Under Receivership

DISPUTE SETTLED

Minnesota & Ontario Paper Receivers Assign 19½ p.c. of Tonnage

Great Lakes Paper Co. had a gross profit of $213,321 from July 14, 1931, when the company was placed in receivership, to the end of 1932. This profit is before any deduction for interest or depreciation. In the last six months of 1932 working capital showed slight decline, but considerable progress was made in clearing up points that have retarded activities of the receiver and manager, National Trust Co.

Determination of respective ownership of newsprint tonnage between Great Lakes Paper Co. and Minnesota & Ontario Paper Co. has been settled on a basis of Great Lakes Paper Co., being assigned 19½ per cent of the tonnage for which receivers of Minnesota & Ontario Paper Co. are now receiving orders. Until such assignment is actually made tonnage will be allocated to Great Lakes Paper Co. at approximately that rate. The remuneration of the receiver and manager and the commission due receivers of Minnesota & Ontario Paper Co. have also been settled by the court.

Gets New Business

A substantial amount of new business obtained by the receiver and manager with customers located on the Great West Lakes and the mill is able to secure the advantage of its waterfront location for the first time. New contracts were secured late in 1932 which are sufficient to provide for current operation of the 100,000 ton mill at 55 per cent of capacity. All of the tonnage being manufactured at the mill is now owned by the receivership and is either direct with new purchasers or under allocation from Minnesota & Ontario Paper Co. pending definite assignment of contracts. Work will shortly be completed on a $60,000 conveyor and storage warehouse to facilitate water shipments.

Conditions in the newsprint industry continue to be unsatisfactory and unsettled as the outlook is obscure, depending largely upon a substantial improvement in general business. Even in the past two months consumption of newsprint has shown a general decline.

Cash Is Lower

From June 30 to December 31, 1932, working capital was reduced to $1,022,220 from $1,071,984. Cash dropped to $93,832 from $148,460 but sundry accounts receivable are up to $145,728 from $9,713, while inventories at market value show practically no change at $776,803. Balance owing by receivers of Minnesota & Ontario Paper Co. for newsprint sales is down to $207,185 from $392,639. This reduction is due to retroactive price adjustments following from lower newsprint prices in effect from September, 1932. Chief change in current liabilities at December 31, 1932, is elimination of receiver's reserves for commissions in dispute. No important change has been made in fixed assets.

Working capital position of the company is as follows:

Working Capital Position

	Dec. 31, 1932	June 30, 1932
Current assets	$1,366,691	$1,658,046
Current liabilities	344,471	586,062
Working capital	$1,022,220	$1,071,984

Income is shown for the full period of the receivership up to December 31, 1932, for the reason that arrangements made with the receivers of Minnesota & Ontario Paper Co. late in 1932 affected earnings of different periods of the receivership and the present statement gives effect to these changes. The operating statement from July 14, 1931, to December 31, 1932, is as follows:

Operating Profit	$287,767
Less:	
Gen. and Adminis. Expense—	
Allow. by Court to trustee, receiver and mgr.	87,903
Adminis. and gen. exp.	56,522
Govt. fire and land tax on timber limits	61,822
Fire protection aircraft	3,491
	$ 78,029
Add:	
Interest Earnings—	
Bank int. and invest.	13,961
Cash discounts	2,662
Exchange received	235,994
	$330,646
Less: Conting. reserve	75,000
Adjust. of inventory	42,325
Receiver's gross profit*	$213,321

* Before interest and depreciation.

Public Utility Earnings

Jamaica Public Service

	1933	1932
February:		
Gross earnings	$68,105	$68,583
Net earnings	29,827	29,233
Surplus after charges	20,584	19,906
12 Mos. end. Feb. 28:		
Gross earnings	787,471	816,892
Net earnings	324,608	327,266
Surplus after charges	212,910	218,534

The above figures converted from £ Sterling at the rate of $4.86 2-3 to the £1.

Century Old Dynasty of Price Family Ends

Application for Liquidator Marks End of Mighty Force in Saguenay Industrial and Communal Life

From Our Own Correspondent

MONTREAL—It is doubtful if any opposition will be offered by the company, Bondholders Protective Committee or other interested parties when the courts consider the application of the Duke Price Power Co. for the appointment of a liquidator for Price Bros. and Co.

Duke Price has presented a claim for $300,000 which Price Bros. and Co. is alleged to be unable to meet. Gordon W. Scott has been appointed as guardian and the date of the hearing has been set for April 10.

Duke Price Power Co.'s interest in this enterprise lies in the contract which it has to supply Price Bros. and Co. with 100,000 h.p. of electrical energy. This contract, which extends for many years, involves payments by Price Bros. and Co. to the extent of about $800,000 annually.

Committee is Satisfied

As far as the bondholders are concerned, the Bondholders' Protective Committee has issued the following statement:

"It has for some time been apparent that it would be necessary to put the company into bankruptcy or liquidation for the conservation of the property until such time as a plan for reorganization can be formulated and to assist in dealing with the difficulties of the company in the interim. Mr. Scott has the highest qualifications and this committee welcomes his appointment as interim receiver.

"A meeting of the committee has been called to authorize such action as may be advisable to this time for the protection of the bondholders interests. Over 62 per cent of bonds are now represented by the committee, which desires to call to the attention of bondholders, who have not to date deposited their bonds, the fact that the situation may now crystallize rapidly and that it is important that bondholders who intend to deposit their bonds do so immediately."

End of a Long Career

The appointment of a liquidator for Price Bros. and Co. marks the end of a business career of a company that until recently was in control of the Price family for more than 100 years.

In the early part of the 19th century a small lumbering business was started in the Saguenay district by the Price family. In the succeeding years the business grew steadily and under careful management prospered. New timber limits were acquired from time to time until the Prices came to control an area of many thousands of square miles in the Saguenay area.

Sir William—The Builder

Lumbering was the principal occupation of the Prices until 1902 when under the leadership of William Price (later Sir William) a grand-nephew of the founder, the first paper mill was opened at Jonquiere. By this time the company had ten saw mills in operation and nearly 7,000 square miles of timber limits.

From 1902 until 1903 the Jonquiere mill was increased in size and hydro-electric power plants were built on the Au Sable and Shipshaw Rivers with an aggregate capacity of 32,000 h.p.

In 1913 a new paper mill was opened at Kenogami, which is now the most important property owned by the company.

Family in Control

In October 1920 the present Price Bros. and Co. was established to acquire the old company. The stock was split at the rate of five for one, the capital being increased to $42,671,000 outstanding.

Majority control of this stock was closely held by Sir William Price and immediate members of his family. The stock was available to the public but never reached a wide distribution.

Further development work was carried out between 1920 and 1929 principally for the purpose of increasing paper production.

Held Unique Position

The position occupied by the Price family in the industrial and social life of Quebec province has seldom been equalled in any other country. They were in every sense Kings of the Saguenay area. Many thousands depended upon them for their livelihood. They developed a modern Seigneural system on a scale far surpassing anything ever known in the French régime.

"Father of the Saguenay"

A few years ago Sir William Price was killed in a landslide. His position in the industrial and communal life of the Saguenay area can best be described by the wording on the monument erected to his memory—"Father of the Saguenay."

His death was a great blow to the company, especially as it was at a time when he was bringing to completion extensive development plans. Upon his death he was succeeded by his young son John H. Price.

Collapse was Rapid

Due to the general demoralization of the lumber market in the last three years, decline in the demand and price of newsprint, combined with unauthorized loans by the company to the Quebec Investment Co. (an investment trust of the Price family) the company got into serious financial difficulties.

While every effort was made to put the company back on its feet, the obstacles were too great.

Beaverbrook Gave Help

Lord Beaverbrook, long an associate of the family, and interested in the welfare of the company, both as a holder of the company's stock and its largest customer, made a strong bid to strengthen the position of the company but without avail.

Liberal assistance had been given by the banks but last year the company was forced to default payment of interest on its bonds. Steps were taken to form a bondholders' protective committee. Since then the financial position of the company has been improved to some extent, but not sufficient to warrant the placing of additional capital in the enterprise in order to put it back on its feet.

Liabilities are Many

The liabilities of the company at present, aside from current obligations to Duke Price Power Co. and other creditors, is principally with the banks and the bondholders. Loans from the banks are now in the neighborhood of $3,750,000. These advances are secured under Section 88 of the Bank Act and the opinion is that the banks are well protected.

Bonds outstanding amount to just over $11,000,000.

The capital stock covers $6,292,000 of preferred shares and $42,683,200 of common stock.

Maritime Telephone Stations Register Loss

From Our Own Correspondent

MONTREAL.—Maritime Telephone and Telegraph Co. continues to report loss in stations installed. At the end of February last the company had in operation 38,584 telephones as compared with 38,793 at the end of the previous month, a decline of 209.

Its subsidiary, the Island Telephone Co. (operating on Prince Edward Island), reports a decline in the stations installed from 5,579 at the end of January to 5,546 at the end of February, 1933.

Connecting companies managed to hold their positions, there being a decline of only 6 stations during February, the total installed at that time being 6,604.

Toll traffic on the Maritime Telephone system registered a decline in the period January 21 to February 20, 1933. The number of calls was 84,160, of which 80,012 were completed for a percentage of 95.

Bond Tenders

Roman Catholic Board of School Commissioners of Quebec—$500,000, 4½ or 5 per cent 30-year serial debentures. A. C. Taschereau, sec.-treas.

April 19, Grand'Mere—$60,000, 6 per cent 30-year serial debentures. J. E. Deziel, sec.-treas.

Quebec R. C. Board of School Commissioners—$500,000, 4½ or 5 per cent 30-year debentures. A. C. Taschereau, sec.-treas.

Apr. 19. 5 p.m., Grand'Mere, P.Q.—$60,000. 6 per cent bonds, dated Apr. 15, 1933, redeemable serially Apr. 15, 1934 to 1936, for local improvements. J. E. Derziel, sec.-treas.

Canadian Bronze Cuts Dividends on Common

From Our Own Correspondent

MONTREAL.—With declaration of a 15 cent quarterly dividend on the common stock of Canadian Bronze Co. directors have placed the shares on an annual basis of 60 cents a share compared with a previous rate of $1.25. This is the second reduction to be made from a previous rate of $2.50 a share.

Winnipeg Electric Co. Annual Meeting Adjourned

From Our Own Correspondent

MONTREAL.—Annual meeting of Winnipeg Electric Co., scheduled for the beginning of this week, was adjourned after a short discussion.

Postponement of the meeting until a later date is regarded as an outcome of the company's difficulties over its subsidiary, Northwestern Power Co., which defaulted on its bond interest a short time ago.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Can. West. Nat. Gas	5%	1936	June 15	105
Wabasso Cot.	*6%	1947	June 1	105

*$10,000 for sinking fund purposes.

Railway Earnings

Railway Earnings

Week end. Mar. 31:	1933 $	1932 $	Decrease $
C. P. R.	2,802,000	3,322,000	520,000
C. N. R.	3,543,935	4,231,021	687,086

CON. BAKERIES WRITES DOWN FIXED ASSETS

Earnings in 1932 Were Sharply Reduced; Dividend Not Covered

Net earnings of Consolidated Bakeries of Canada Ltd. showed a sharp decline during 1932 despite substantial reductions in operating costs. As a result dividends paid of $119,422 were not earned and surplus was reduced by $104,522. Consumption of both bread and cake showed decline and prices were lower. Taxes of the company, however, increased by $70,480 during the year due in part to the 6 per cent sales tax on all of the company's lines other than bread which was imposed by the Federal Government in April, 1932.

Consolidated income and surplus account of the company is as follows:

CONS. INCOME AND SURPLUS ACCT.

Years Ended	Dec. 31, 1932 $	Dec. 26, 1931 $
Net earnings	249,716	647,761
Less: Deprec.	239,800	250,046
Income tax	......	30,633
Net profit	9,916	367,082
Add: Tax res. not required	4,984	......
	14,900	367,082
Less appropriations: Dividends	119,422	318,453
Surplus for year	*104,522	48,629
Add: Prev. surp.	184,596	151,447
W/o St. Thomas bldgs., etc.	......	15,480
Bal. carried for'd.	80,074	184,596

*Deficit.

Working capital position is higher than at the end of 1931 with no substantial change in current assets while current liabilities are reduced owing to the passing of dividends. As at January 1, 1933, however, investments in stocks and bonds carried in the balance sheet at cost of $1,990,645 were written down to market value of $397,357 thereby reducing working capital position but leaving a satisfactory ratio of current assets to current liabilities.

MONTREAL TRAMS INCOME EXCEEDS CHARGES FOR 1932

Share Earnings Amount to $9.80 Compared With $11.51 in 1931

From Our Own Correspondent

MONTREAL—Montreal Tramways Co. report for 1932 shows net earnings equal to $9.80 a share on the common stock. This compares with $11.51 in the previous year.

Considerable interest attaches to the 1932 report owing to the marked weakness in the market value of the company's bonds and stocks in the past week. This weakness has been attributed to the expectancy of a financial statement which would show insufficient income to cover the common dividend and the further decline in earnings this year.

Traffic was Less

Tramway operations last year were not as good as in 1931, the number of revenue passengers declining 9.19 per cent. The number of passengers carried in 1932 was 210,807,129 or 21,333,974 less than in 1931. The drop in earnings was offset to some extent by savings, operating expenses being 7.86 per cent less than for 1931.

Revenues available for dividends totalled $686,043. From this amount $682,500 was paid in dividends, at the rate of 10 per cent per annum for the first three quarters and at nine per cent per annum for the last quarter of the year.

Carried Forward Surplus

Particulars of the income account for the past two years follow:

Revenue:	1931 $	1932 $
Under contract	3,263,836	3,286,951
Oper. profit	67,963	68,353
20% of surplus	1,584	......
Other	131,173	104,641
Gross income	3,464,556	3,459,945
Less: Interest	2,451,842	2,436,576
Exchange	196,698	331,369
Other exp.	10,367	5,957
Net profit	805,649	686,043
Less: Dividends	700,000	682,500
Surplus	105,649	3,543
Br't. forward	2,525,079	2,630,728
Carried forward	2,630,728	2,634,271

Working Capital Position

	1932 $	1931 $
Current assets	4,433,400	5,331,558
Current liabs.	1,398,070	1,770,566
Net work. capital	3,035,330	3,560,992

Balance Sheet Changes

No material change has taken place in the balance sheet position of Montreal Tramways Co. At the end of last year assets had a book value of $65,569,236 as compared with $66,260,183 at the close of 1931.

Fixed assets show a moderate increase from $59,815,456 to $59,908,190. Investments in subsidiary and associated companies have increased by slightly over $100,000 to $1,227,645.

Bond Sales

WOODSTOCK, ONT.

Matthews & Co. and Coles Bros. have been awarded $67,383 of 5% 15-year installment debentures of the City of Woodstock, Ont., at 96.053. Bids for the issue were as follows:

Matthews & Co., Coles Bros.	96.053
J. L. Graham & Co.	95.62
Dyment, Anderson & Co.	95.59
Imperial Bank	95.5

An option was asked by the following:

Royal Securities Corp.	96.75
Gairdner & Co.	95.75
Wood, Gundy & Co.	98.25

ST. THOMAS, ONT.

Imperial Bank has been awarded $101.128 5% debentures of St. Thomas, Ont., at 99 cost basis of 5.65%. Of the total $6.738 matures in 10 annual installments and $94.390 in 15 annual installments.

Only two bids were made for the entire issue with Harris Mackeen & Co. bidding 97.01. C. H. Burgess & Co. and J. L. Graham & Co. bid 98.03 for $25,000 of the bonds with an option on the remainder.

Options were asked on the issue as follows:

Bell, Gouinlock & Co.	99.379
Midland Securities Corp.	99.10
Cochrane, Murray & Co.	99.07
A. E. Ames & Co.	99.0
Gairdner & Co.	98.62
Wood, Gundy & Co.	98.56
Dyment, Anderson & Co.	97.40

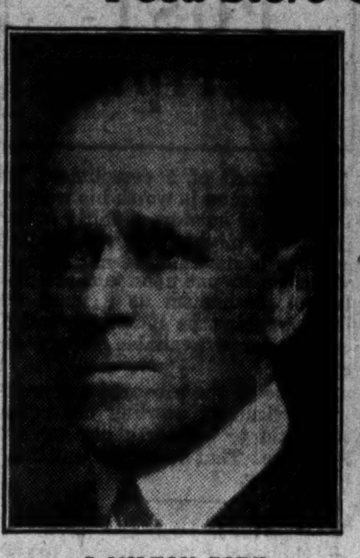
County of Halifax, N.S.

Bank of Nova Scotia has been awarded $15,000 5% debentures of the County of Halifax, N.S., due April 1, 1953, at 100.25; cost basis 4.98%. Bids for the issue were as follows:

County of Halifax

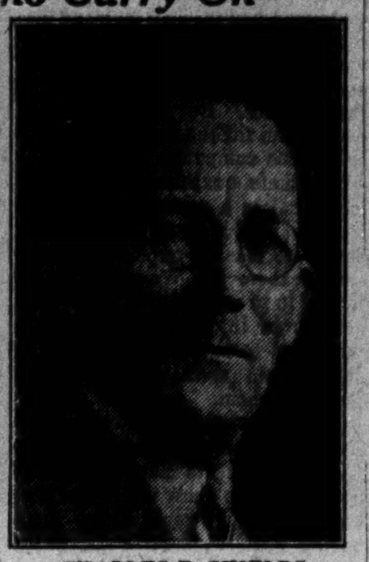
1. Bank of Nova Scotia	100.25
2. Royal Securities Corp.	99.17
3. C. H. Morrison & Co.	98.88
4. J. C. MacKintosh	97.17
5. Johnston & Ward	97.13

Food Store Genius and Men who Carry On



J. MILTON CORK
Vice-president in charge of Loblaw merchandising and probable new president.

T. P. LOBLAW
Founder and president of Loblaw Groceterias, who died suddenly this week.



CHARLES B. SHIELDS
Vice-president in charge of Loblaw store operation, 13 years with Mr. Loblaw.

T. P. Loblaw Leaves Firm Well Manned

Many Notable Contributions to Food Industry Made by Far-visioned Head of Groceteria Chain

By B. T. HUSTON

Death has struck three times in rapid succession at prominent members of the Canadian food industry. First at Harold F. "Carload" Ritchie, head of a great world-wide organization; then at William J. Pentland, president of Dominion Stores Ltd., a retail business that has exceeded $25,000,000 in annual sales; and now at Theodore P. Loblaw, who on his first trip to Toronto 44 years ago as an orphan boy walked the streets for days looking for a job—and who later became the head of the great chain of food stores bearing his name.

Mr. Loblaw was 61. His was a life crowded with its up and downs—but always constantly changing. I knew him twenty years ago when he was a more or less obscure individual in the grocery business struggling with a new idea and have followed his career from that time up to the present. He had great vision—insight into the future. Constant changes were crowding one another in the business world and it was always his ambition to keep a step or two ahead of them.

Tramped Streets for Work

A few weeks ago I last heard him speak. He told of how some 44 years ago at the age of 17 he came to Toronto from Alliston looking for a job. He tramped the city and finally found a haven in the store of W. C. Cork, on King Street East. It was there that he met J. Milton Cork a fellow sales clerk. He told of the kindness of the latter's mother to him and how a lasting friendship developed between them. The two boys worked together and eventually came together in the great retail enterprise of the Loblaw Groceterias Company with its 107 stores in Ontario and a business volume approximating $13,000,000 annually.

First Job $3 a Week

The first job of T. P. Loblaw netted him $3 per week. His board was costing him $3.50 and his small capital was fast disappearing. Then he got a raise to $5. Even out of this meagre salary he saved some money. A few years ago in recalling his early life, he said that the longer he lived the more he was convinced that the difference between the clerk who saved part of his salary and the one who spent all of his was the difference in a few years between the owner of a business and the man out of a job. He also told of how when he was clerking in the store he went to business school on the nights when he wasn't working, studied bookkeeping and accounting. Older men in the wholesale and retail food business in Toronto will recall that he established the Loblaw Account System about 1906 and no doubt this accounts in part at least for the modern type system now adopted in the wholesale warehouse of the company at Fleet and Bathurst Streets.

The turn of the century found him still in the grocery business but restless because of the difficulty in making a profit. On July 2, 1910, he opened the first unit of his original chain at 228 Queen St. E. in Toronto. This chain was known as the "Loblaw Stores." They were not self-serve but strictly cash and carry. The business gradually grew until there were 19 units in it. About seven years later Frederic E. Robson who had been a grocery broker on Front Street joined him in the enterprise and the two of them conducted it for some time. Finally Mr. Robson took over the business and in 1919 disposed of it to the men who originated Dominion Stores. It was during these latter years while Mr. Loblaw managed a business in Toronto for the United Farmers of Ontario that the germ of the self-serve idea began to sprout.

Problem of Independence

Some time ago I asked Mr. Loblaw how he come to start his original chain. His answer ran something like this:

"As an individual merchant I found as did many others like me, that it was almost impossible to compete against the large department stores in price. They were able to purchase on a jobbing basis direct from the manufacturer and could easily undersell us. I frequently discussed the situation with other grocers to whom I suggested that we form a retail wholesale company, take over a warehouse and put ourselves on the same basis as the bigger stores. This however, did not materialize and finally in 1910 I determined to go into the chain store business. It was my idea that if I could work up sufficient volume I could too be placed on the jobbers' lists for at least a lot of the merchandise necessary and would be able to compete."

Wholesalers Blamed

A few years back, before the group system of operation had struck its stride, we were discussing the rapid development of chain grocery stores, the difficulties of individual retailers and of the wholesalers who were supplying them. Many of the latter were dropping out of the distribution picture and others were rearranging their methods in order to be in better position to meet the ever expanding competition.

"The wholesale grocers have themselves to blame" was his comment. "For years they have been insisting on price maintenance which in my opinion is simply holding the umbrella for the weaker distributor. Price maintenance to my mind means that retailers with lower overhead costs are overcharging to the disadvantage of the general public. I am opposed to that system of merchandising and if the wholesaler had not stuck to it for so long but had cooperated more with his retail customers, chain stores would not have developed the way they did." Be that as it may the wholesale grocery business has certainly changed—fewer in business, reduced overhead, fewer travelling salesmen, smaller gross margins of profit.

Wrapped Meats Sold

It was a year or so ago that Loblaw Groceterias Company began to establish meats in their stores and to sell them on the self-serve basis. Yet it was at least three years before that the idea began to simmer in Loblaw's head. I recall him bringing a cut of beef wrapped in Cellophane from the cloak room in his office to exhibit it to two or three of us. The meat had been in the wrapper several days and yet it looked quite fresh. The matter was then only in the experimental stages and he requested that no publicity be given at that time. This incident shows the vision of the man. He could see the coming of the general food market under the one roof and it was just a few weeks ago that the first Loblaw market of this kind was actually opened on Bloor Street West in Toronto.

The company's stores of today while operating on the same self-serve principle under the "We Sell For Less" slogan originated in 1919, show numerous changes and improvements, largely as a result of the constant study and foresight of the president.

Adventure Into States

In 1924, Loblaw Groceterias, Inc. was organized to carry on business in the State of New York and in 1928 United States operations were extended to Chicago. The stores in the latter city had not however, reached their stride when the stock market crash of 1929 came along with the consequent slump in business. They were disposed of more than a year ago but the company continues to operate in the Buffalo territory. Mr. Loblaw was the president from its inception.

Mr. Loblaw was a director of the Canada Bread Company for some years and operated a farm at Alliston. He had been active for several years in various charitable drives in Toronto, having contributed largely. He was ever a friend of the down and out and those who knew him well were not so much surprised a short time ago when it was announced he had become associated with the Oxford Group.

Cork and Shields Left

With the passing of Mr. Loblaw the mantle he so successfully wore will no doubt fall on the shoulders mainly of the vice-presidents of the company, J. Milton Cork and Charles B. Shields. Both of these men have had long histories in the grocery business. Mr. Cork and Mr. Loblaw practically grew up with it together until finally in 1919 they started the venture that developed so rapidly. Mr. Cork has for a number of years been directly in charge of the buying for the company and has been vice-president in charge of the merchandising policies. To him is given credit for a great deal of the development and he is recognized today as one of the most efficient chain store men on the continent.

Charles B. Shields is the vice-president in charge of Store Operation. He first became associated with the business in the fall of 1920 through Mr. Loblaw taking over the property in which Mr. Shields was operating a grocery store in Parkdale. He had come to Toronto from the North Country six or seven years before, having got started in the grocery business in the mining district. Full of energy and enthusiasm, he has rendered valuable service in selecting store locations, in supervising the equipment, taking charge of the system of trucking that covers the network of stores throughout the province.

Another prominent executive is Herbert M. Cowan who has been connected with the grocery business for some 36 years in Hamilton and Toronto. He has been working closely with Mr. Cork in the buying and merchandising end of the business for a number of years.

Daniel Urquhart as secretary has brought to the company the valuable services of the trained legal mind.

Their Great Warehouse

The story of the rise of these men would not be complete without a word about their wholesale warehouse located at Fleet and Bathurst Sts. in Toronto. This was erected at a cost of a million and a half dollars and is recognized as one of the most complete on the American continent. It has been designated so by prominent students of distribution and merchandising in the United States who have visited it. It too was the result of the vision and business pride of the late president and his associates. "When we built this warehouse we wanted something that we could be proud of" Mr. Loblaw once said to the writer. "We have studied the systems in the best warehouses on the continent and from them have got together what we think will provide us with a service just as economical and efficient as it can possibly be." The warehouse includes a fine bakery, tea blending machinery, coffee roasting and grinding machinery, peanut roasters and grinders, bacon slicing and packaging department, a butter packing room, cold storage with various temperatures, egg handling devices. The human element was taken into consideration and for recreation purposes there is a large billiard room and bowling alley.

Can. Steamship Committee Is Now Announced

From Our Own Correspondent

MONTREAL. — The protective committee for holders of the 5 per cent consolidated mortgage debenture of Canada Steamship Lines, Ltd., has been formed and consists of Thomas Bradshaw, A. D. Cobban, Toronto; Norman J. Dawes, Andrew Fleming, A. J. Nesbitt. Montreal; William Ferguson of Kidder, Peabody & Co., New York; S. L. Whittaker, Dominion Life Assurance Co., Waterloo, and Hon D O. Lesperance, Quebec.

Formation of the committee follows the action taken by debentur holders on March 22 in agreeing to waive payment of sinking fund obligations by the company for a maximum of five years, commencing with the semi-annual payment due August 15, 1932.

Elected to Curb Market

From Our Own Correspondent

MONTREAL.—G. H. Turpin has been elected a member of the Montreal Curb Market.

No Over Issue of Debentures Made by C.P.R.

Canadian Pacific Railway did not issue in 1932 a larger amount of consolidated debenture stock than had been authorized by the shareholders, as was previously reported. In 1932 the company secured from shareholders permission to issue an additional $50,000,000 of this stock. During the year it issued $17,000,000 of consolidated debenture stock as security for $12,500,000 of 10-year six per cent collateral trust bonds and $40,000,000 of the stock as security for $30,000,000 of short term loans. But as the company entered the year 1932 with $17,000,000 of debenture stock authorized but unissued it was able to complete the year with a balance of $10,000,000 authorized but unissued.

The company's power to issue this debenture stock is obtained from Parliament and it is sold or pledged from time to time under authority from the shareholders. Some $291,000,000 has been sold the public and some $164,000,000 has been pledged as security for various issues of collateral trust bonds and short term notes.

Directors are again asking shareholders for authority to issue or pledge consolidated debenture stock but no increase in the authorized amount is being asked at the forthcoming annual meeting.

Dominion Stores Sales Drop as Units Reduced

Sales of Dominion Stores Ltd. in the four weeks ended March 25, 1933, are reported at $1,555,614 a decrease of 17.5 per cent from sales of $1,885,-[illegible]5 in the corresponding period of 1932. Reduction is due in large part to the fact that 49 fewer stores were operated in the 1933 period.

Sales in 1933 to March 25 total $4,455,519 as compared with sales of $5,493,180 in the corresponding period of 1932. Decrease of $1,037,661 amounts to 18.89 per cent.

Quebec Canners Pays Preferred Creditors Fully

From Our Own Correspondent

MONTREAL. — Progress is being made in liquidation of the former bankrupt estate of Quebec Canners Corp. in which Whittall Can Co. had a substantial investment. The company was sold at auction, passing into the hands of Canadian Canners, Ltd.

It is stated that preferred claims have already been paid in full and payments amounting to 80 cents on the dollar have been made on ordinary claims. Indications are that balance of 20 per cent will be paid.

Greenshields and Co. Pay Creditors Dividend

From Our Own Correspondent

MONTREAL.—Assets Holding Co. has distributed a payment of 1½ per cent on the 3 per cent cumulative redeemable debenture stock which was issued to the creditors of Greenshields and Co., Montreal stock exchange firm which went into bankruptcy last year.

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Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year End	Net Income 1932 $	Net Income 1931 $	Common earnings 1932 $	Common earnings 1931 $	Curr. divid. $	Balance car. fwd. 1932 $	Balance car. fwd. 1931 $	Mkt.	Mkt. times earn.	Yield %
North Star Oil	Dec. 31	46,540	70,147	...	...	...	70,876	283,323	1	...	...
Asbestos Corp.	Dec. 31	*711,377	*879,581	...	...	...	288,623	†1,646,805	.25	...	...
Dominion Rubber	Dec. 31	*591,615	*765,346	...	...	...	3,855,905	4,661,559	...	...	...
Hamilton Bridge	Dec. 31	‡183,373	157,856	...	...	...	278,688	533,561	3	...	...
Can. Fairbanks	Dec. 31	*66,741	19,722	...	...	...	2,871,023	2,689,097	...	...	...

*Loss. †Deficit. ‡Loss before depreciation.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Halifax, N.S.	Apr. 2	Bank of Nova Scotia	....	20-yr.	$15,000	100.25	....
Woodstock, Ont.	Apr.	Matthews & Co., and Coles Bros.	5%	15-yr.	67,383	96.053	....
St. Thomas, Ont.	Apr.	Imperial Bank	5% 5%	10-ins. 15-ins.	6,738 94,390	99	5.65%

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TORONTO, APRIL 8, 1933

BROADER BASIS FOR INCOME TAX

THE salaried man with an income of $2,500 a year, married and with no children will experience a much greater increase in his income tax under the new federal rates than will the man with an income of many thousands a year. But he will still pay less than 1 per cent of his total income by way of tax while the millionaire will pay more than 50 per cent.

It has been under the stress of declining revenues that the Government has reduced the income tax exemption and thus broadened the basis of income taxation. When the happy day comes that it will again be possible to reduce the income tax the Government would be wise to consider leaving the exemptions at their present low figure or even reducing them and effecting the reductions by means of lower rates.

It is agreed by most people that the income tax is a good type of tax and there are some folks who would go so far as to raise all Dominion revenues solely by means of income taxation.

There is greater difference of opinion as to how heavily the income tax should be made to fall upon different classes in a community. In Canada, we have used the income tax largely as a means of redistributing wealth. We have placed enormous surtaxes upon the incomes of wealthy people and entirely exempted the income of the average working man. While this is a popular system it is by no means certain that it is economically sound or even in the interests of the state. It is a socializing process designed to put a tax upon acquisitive "rugged individualism" and to prevent concentration of wealth in the hands of a few. To some degree the high taxes on very large incomes have done a great deal of social good but unfortunately they have done this at serious cost in other directions. High income taxes have discouraged job-creating development to a degree that we will never be able accurately to measure. And by providing opportunities for clever lawyers to work out tax evasion schemes they have tremendously complicated the corporate structure of the country in a manner that has done no good to investors or the general public.

The great merit of the income tax is that it can be widely distributed. It can in some degree be based upon ability to pay without leading to the abuses that come when this feature of it is carried to excess. It is a tax that brings each taxpayer up against the problem of the rising cost of government because it is paid openly and is only partially concealed in the price of commodities. It is comparatively simple to collect.

The income tax should rest upon a broad base and the Government would be justified in eliminating exemptions entirely, putting the tax upon all incomes of all classes in order to bring them into more realistic touch with the Government.

THERE ARE HONEST MEN IN BUSINESS

GRATTAN O'LEARY, Ottawa newspaper man, spoke in Toronto last week. His address sounded like a number of editorials that have appeared in the Ottawa Journal recently. Billed to speak on politicians he devoted his forty minutes to an eloquent debunking of business men, trying to show that the average politician has more sincerity, honesty and good judgment than the average business man. Illustrating his remarks with carefully chosen incidents, supplementing them with compelling half-truths, he put the business and financial leaders of Canada under the microscope and found them a squirming mass of crooks and imbeciles.

Mr. O'Leary's primary reference to politicians was to excuse the extravagance of government departments on the ground that the people, and business men in particular, had demanded the expenditures. The manager of a private company which went bankrupt would make himself ridiculous if he blamed his financial difficulties on the various men who had importuned him for help. He might claim that his works manager had demanded machinery, that his sales department had demanded more salesmen, that his customers had insisted on large discounts and rebates, that charity workers had asked for his profits and that he had merely acceded to their wishes. But this would not excuse him for the financial difficulties of his company.

The main qualifications for any individual in a position of managing trust are balanced judgment and ability to size up expenditures for their real worth. We put our politicians in to weigh carefully the expenditures that are suggested to them and to make only those that have sound social and economic justice in them.

Mr. O'Leary deprecates the insistent demand for having government departments manned by business men. To show the awful consequences that would ensue from having business men in charge of government he instances mistakes that have been made by prominent Canadian and American business men during the past few years. But he fails utterly to differentiate between the speculative elements in business, the plungers who are not above doing their gambling with other people's money, and the conservative managers who have been in charge of most of our important industrial concerns, banks, trust companies, insurance companies, etc.

It is absolute folly to conclude that because some prominent business men have made failures of their undertakings, with great loss to the public, that we should throw into the discard all business experience. Great lawyers, doctors and engineers make serious mistakes, but we still recognize the value of training and experience in these professions.

Likewise in government, the heads of departments and the leaders of government should be men qualified for their jobs. In most such jobs proved business ability as exemplified by past business experience combined with sympathetic understanding of the public's mind are essential. The same qualities are essential in business, finance and the professions.

The Financial Post has most consistently criticized the selfish and in many cases crooked actions of many financiers and industrialists and has always taken the stand that men who violate the common decencies or the laws of the land in their dealings with the public should be punished, by criminal action where that is possible and by business and social ostracism where it is not possible. But while these minority leaders of business and finance should meet with opprobrium, the financial men and industrialists who give the public, their employees and their customers a square deal should be singled out for commendation.

BALANCED BONUSES OUR WAY OF LIFE

A DELEGATION of citizens asked Premier Richards, of New Brunswick, to seek through the courts to establish the fact that the Maritime Provinces have not received the rights and privileges they are entitled to under Confederation. Premier Richards replied that the province would act if legal advice was to the effect that the provinces had a good case.

This brings the question of "Maritime Rights" to a new phase. Elsewhere in Canada there are a great many people who think the Maritimers are a discontented and somewhat greedy lot. They point to the subventions on coal; the construction of huge ports at Halifax and Saint John; the 20 per cent reduction in freight rates; the payment of the C. N. R. eastern lines deficit directly from the treasury; the subsidizing of dry docks and cold storage plants; and a host of other benefits granted the Maritimes at the general expense of the people of Canada as a whole.

All of which the Maritime Provinces' resident waves to one side as he points to his tax contributions to the cost of such items as maintaining free canals in Central Canada, wheat subsidies in the West, export bonuses on farm products, and not to overlook tariff protected factories in the industrial areas.

With such a purely political balancing of sectional interests in evidence it is to be feared that the courts would have a complicated puzzle presented to them to solve.

Nation building in Canada consists chiefly of a process of balancing the favors granted to different sections of the populace out of the common pot of federal income. Some of these favors rest on a solid legal basis; but sectional politics has been a much more important factor.

One thing is certain, regardless of the legal or moral issue involved in any single claim of any one section of the population, the system is an expensive one.

We might all be better off if a hard-headed dictator came in and abolished the whole system of balanced donations from the federal treasury.

The Maritimes might gain more than they would lose.

WRITING DOWN OUR HARBOR ASSETS

ONE touch of realism appears in the budget speech. The Dominion Government is transferring from its account of active assets to non-active assets some $26,000,000, representing advances to the harbor commissioners of Chicoutimi, Three Rivers, Halifax and Saint John. For years the Dominion Government has advanced money freely to harbor commissioners in different parts of the country and has always treated the advances as though they were revenue-producing items. But, since no interest has been received on account of the advances to these commissions and since the capital works have not sustained the debt incurred for them, it has obviously been very foolish to consider that these advances would ever be repaid and that they had any value at all as assets. Taking this view, the Government has transferred $26,000,000 of the amount to non-active assets which is equivalent to writing off the amount from the Government assets.

Unfortunately, the debt incurred by the people of Canada on this account cannot be written off in as simple a fashion.

Total advances made to harbor commissions by the Dominion Government now amount to $134,000,000, in addition to $22,000,000 of guarantees. Further write-offs may be expected as Sir Alexander Gibb's recommendations for the control and operation of national ports involve further adjustments in these accounts.

Gradually the Canadian public are being given an opportunity of knowing what free spending by open-handed governments really costs.

The administration of Canadian national ports is to be radically revised by legislation based on the recommendations of Sir Alexander Gibb and to be given attention at this session of Parliament.

Of the Gibb comments these are worthy of keeping in mind:

> "The operation of the ports has in the past involved a heavy drain on the national treasury; and more definite and effective control of expenditure is necessary.
>
> "The last decade has been a period of heavy expenditures on capital works, and the immediate requirement is a period of organization and consolidation, to enable full advantage to be taken of this expenditure."

OUR COSTLY VENTURE ON SEVEN SEAS

GRADUALLY the Dominion Government is getting out of the steamship business. Some 13 vessels of the Canadian Government Merchant Marine fleet were disposed of during the past year and the Dominion appropriated some $2,600,000 of the insurance fund and working capital of the C. G. M. M. and added it to its revenues for the current year.

Operating losses continue to be shown. In 1932, the Dominion treasury had to find over $300,000 to pay operating losses on the merchant marine vessels apart from interest on the enormous investment made in them.

This losing venture in ocean shipping should be wound up as quickly as possible. When the venture is finally wound up it will be found that the Canadian Government has lost over $100,000,000 of the taxpayers' money through having gone into a business it should never have entered at all.

ALBERTA UNLOADS

IN 1928 when Premier J. E. Brownlee, of Alberta, negotiated the sale of the Northern Alberta Railways to the Canadian Pacific and the Canadian National Railways jointly he closed out an account which, to the time of sale, had recorded total losses to the province of $17,600,000.

Mr. Brownlee may now pat himself on the back and tell the people of the province that he saved them a great deal of money since. The Northern Alberta Railways has proved a profitless venture for the two railway systems. The annual statement of the Canadian National Railways records that the operations of the Northern Alberta Railways Company resulted in a net loss in 1932 of over $1,000,000, as compared with a loss of over $1,100,000 in 1931, which loss was jointly shared by the two large railway systems.

Provinces usually are not able to unload their losing ventures on other institutions on such a profitable basis.

EDITORIAL NOTES

Detroit, home of new model cars, is going in for new model banks. Let us hope they don't make them an annual affair.

* * *

Is it on the strength of his experience in the whaling business or on the strength of his experience as director of one of the Ventures group of mining promotions that Gen. A. D. McRae is suggested as chairman of the Canadian National Railways?

* * *

Conservative M.P.'s are said to have signed a petition asking for the appointment of Maj. Gen. A. D. McRae, of Vancouver, as chairman of the Canadian National Railways. The politicians seem determined not to let this juicy plum slip out of their hands.

* * *

Senator L. A. Wilson suggests that poor men with ten or more children should be exempt from income tax payments. Any married man with ten children is exempt, even under the new regulations, on the first $6,000 of his income. And is any man—even one with ten children—a poor man when he has an income of $6,000 a year?

* * *

Grattan O'Leary, Ottawa journalist, in a Toronto tirade against business leaders, referred several times to "Edward G." Mitchell, head of the New York National City Bank. But his twisting of "Charles E." into "Edward G." was nothing compared to his twisting of the records of some of our unsuccessful promoters into a general condemnation of all business leaders.

* * *

Jackson Dodds, joint general manager of the Bank of Montreal, addressed the Winnipeg Board of Trade last week on the subject of "Banking and Currency." Mr. Dodds is to be congratulated upon accepting the invitation of the board. Our banking general managers do not do enough educational work by way of public exposition of the banking traditions of Canada.

POST-scripts

IS IT much of a compliment to say that man is worth his weight in gold? If he were a fairly hefty fellow, he might be worth $50,000 on that basis which is not a high valuation to put upon such an intricate mechanism as a man; at least wouldn't be if there weren't such a large available supply of men.

In one of the proverbs a woman of particularly sterling character was said to be worth her weight in rubies. That would be a different matter.

THERE are jokes and jokes. A Montrealer was listening to the radio in a friend's house recently when suddenly there was a pause and a new announcer cut in. "I take pleasure in congratulating three lucky Canadians," he said, "whose tickets have been drawn in the Grand National sweepstakes." Two names were mentioned; the third was the name of the guest. Immediately the party adjourned down town, where champagne flowed liberally. It was not until next morning when the guest was viewing his depleted pocket book that he was told of the mirth-provoking qualities of a baby broadcasting set; the momentous announcement on the radio, he was informed, had come from an adjoining room. The victim is philosophical; he says he has experienced the joys of holding a lucky ticket without paying income tax on it.

THE American people might well save some of their present enthusiasm for Roosevelt for use at a later date. Just now the president has more acclaim and support than he actually needs. Before his term of office is up he will be struggling desperately against public indifference or mass criticism.

The American people are that way; their emotional currents swing quickly from ebb to flood and back. They have the biggest booms in the world and the biggest crashes; they either raise a public man to the heights of Olympus or throw him into the slough. Roosevelt was at the absolute peak of his influence and power at 1 o'clock on March 4. From that moment his influence began to decline. It couldn't be otherwise because he was at that moment enshrined as a god on a pedestal and he is not divine but merely a human being, and, as that fact cannot help but dawn upon a few more Americans every day, he is bound to face increasing criticism. But he was shrewd enough to use his first few weeks of glorification to obtain action on three matters of lively economic importance—banks, budget and beer. The rest will come more slowly. Roosevelt has much more to do and he will succeed with a large part of it but the hosanna-complex has passed.

In the Mail

The Library Report

The Editor, The Financial Post,

I read with a great deal of interest the review in your issue of March 18 of the book "Libraries in Canada" which we, as commissioners, presented to the people of Canada. I am particularly interested to see that your reviewer thinks "that we make out a strong case for the library as a definite part of our educational system, and that its chief weakness is that it gives inadequate attention to the relation of the state to education past the public school age."

Now that was what the whole report was about. We said little or nothing about the library as a part of the school system, but if you will read the report carefully you will find that we emphasize particularly the fact that there is no opportunity for boys and girls beyond the age of fourteen except through the public library. I mean by that the most of boys and girls. Perhaps your reviewer will look at the part which speaks about education being a process and not a state, and therefore it goes on continuously through life, the very thing that is fundamental in the new Soviet system of education in Russia.

I notice it is questioned whether three librarians alone should have brought out the report, because you think of us as heads of experimental farms. That is not the attitude at all. One was a university librarian, and the other two were public librarians interested in education. Speaking personally I have been in educational work for forty years—all sorts of it—and my part was written entirely from the point of view of the person who is handicapped, because of his geographical location, in getting the books which he would like to read.

I was interested also to see that we are accused of saying nothing about private philanthropy and endowment. I thought that was discussed in connection with Acadia University, for instance, and other places, such as the travelling libraries of British Columbia. Then it is said that "the commissioners assume that providing libraries for the people is an educational job of governments." It certainly is, else where are we going to get people of intelligence in this democracy to guide us in the future? If we are depending upon the recorded experience of the race for suggestions for progress in life—and this recorded experience of the race is to be found in books—how are the ordinary people who have got votes going to be possessed of this knowledge if not through the public library? In other words, is not intelligence a part of the function of the government as well as providing the so-called necessities of life?

I am not arguing now as a librarian but as a person who is interested in the progress of the government, and I am just wondering where the citizen who has not got a great deal of money to buy books, and who would like to be guided in his judgment of what governments are doing, would get his information?

I am glad this review of the book was made, and I am particularly gratified that all through Canada there is a tremendous interest stirred up on this question of the extension of opportunities to the individual who has been handicapped by his geographical location and who wishes to read.

GEORGE H. LOCKE.

Toronto,
March 30, 1933.

Editor's Note: Dr. Locke is chief librarian of Toronto. The report referred to was a study of Canadian libraries by three Canadian librarians, who were financed by the Carnegie Foundation.

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

By F. S. C.

DEMOCRACY IS SAFE

TO READ the newspaper headlines one might gain the impression that democracies are collapsing and that a tide of autocracy is sweeping the world. To Walter Lippmann, lucid editorial writer of the New York Herald Tribune, the facts point to no such conclusion.

Says Lippmann: "Wide as is the extension of autocracy today, except in one important country it is no more widely extended than it was before the war."

The exception is Italy, where national unity and democracy came latest and had the shortest experience. All the other fascist and communist victories of the last 15 years have been won, in Mr. Lippmann's opinion, only where democracy had not been established.

In Russia the dictatorship of Lenin and Stalin was founded on the collapse of Czarism. Japan never had more than a faint imitation of popular government. The dictatorship of Central Europe, including Germany and of the Balkan peoples are dictatorships of people who have had less than one generation of political liberty. All the old democracies of Scandinavia, Switzerland, France, Britain and its Dominions and the United States are still in being.

* * *

DEMOCRACIES that endure are democracies that are capable of uniting their forces, of concentrating power in an emergency and then of relaxing it when the crisis has been surmounted. Thus, the apparent concentration of political power in France, Great Britain and the United States is simply the indication of democratic government by people who believe in it.

In Mr. Lippmann's opinion, where popular government is inherently strong, where democracy is solidly founded in the traditions of the people, it is the toughest and most enduring of all forms of government. Popular government is indeed difficult to establish and it must be learned by living with it, but once established it will stand very foul weather indeed.

* * *

THE POLISH CORRIDOR

THERE seems to be some disposition on the part of the powers to accept Ramsay MacDonald's temporary solution for the disarmament problem. The rumblings of the chariots of war have tended to die down in Europe. But one sore point on the Continent still festers. This is the Polish corridor, which constitutes a problem that must be solved within the next few years.

At the moment the Polish corridor satisfies neither Germany nor Poland. It will be recalled that in the Versailles treaty when Poland was set up as a political unit, after a hundred years of existence as an unrelated group of fragments of other nations, the Polish people insisted upon a free outlet to the sea. To obtain this they insisted upon having attached to the traditional area of Poland large strips of the Prussian province of Pomerania, nearly the whole of East Prussia and the city of Danzig. But the British were not desirous of smashing Germany entirely to make a Roman holiday for the French and the Poles. Finally a compromise was made. Germany retained the important agricultural provinces of East Prussia where the Junkers had their vast estate. But Poland was given enough of Prussian territory to give her an outlet to the sea. This created a break in the territorial continuity of Germany and meant that she could not have an unbroken ring defence of her national frontier.

* * *

GERMANY is not satisfied with the settlement and will not be satisfied until her eastern provinces are joined to the main body of her national territory. Obviously this cannot be done without denying Poland her present outlet to the sea although it may be recalled that Dr. Stresemann once suggested that Poland should be given access to the sea through the port of Memel in Lithuania. But for the moment Poland does not consider the absorption of Lithuania a satisfactory solution of her problem.

The Germans, we have seen, are thoroughly dissatisfied with the Corridor Settlement and Hitler is pledged to correct what he terms a gross injustice. But Poland is not satisfied either. In the first place, there is on the Baltic coast of the corridor only one harbor better than all other and this is in the city of Danzig. Poland considers that Danzig should be part of Poland. But at Versailles Danzig was set up as a free city, a sort of a compromise. Danzig has always been idisputably German. For that reason it was not included in the Polish state, but was constituted as a free city with German language and culture but in order that it might be made available to Poland as a port its harbor was given over to an idependent administration which flies its own flag. The city was incorporated into Poland for customs purposes and its railway system was transferred to the Polish state. In other words, Danzig became politically and culturally a German city and economically a Polish city, and its 400,000 citizens are constantly struggling to do the impossible job of serving two masters.

* * *

POLAND has constantly carried on political and economic propaganda to increase its influence in Danzig. But at the same time she has constructed a new national harbor entirely on Polish soil. This has bled Danzig. Already the export and imports of a new harbor at Gdynia have surpassed those of Danzig.

There are many other angles to the situation which complicate it almost beyond solution but enough has been pointed out to indicate that the dispute between Germany, Danzig and Poland constitutes a menace to peace and security in Europe and represents a problem that will call for a greater degree of statesmanship than most international leaders have shown since the war.

New Books

Canadian Trade Index

Canadian Manufacturers' Association has issued its 1933 edition of Canadian Trade Index. This is published by the Commercial Intelligence Department of the association and provides, as usual, a comprehensive director of Canadian manufacturers listed alphabetically according to the name of the company, and also indexed separately according to the name of the article manufactured. As usual the index contains a special export section which is a complete survey of Canada's export trade and the many factors and data necessary to carry on such trade.

The index is cloth bound, contains over 850 pages, and is available from the Canadian Manufacturers' Association at the head office, Toronto. Price, $6.

"Contributions to Canadian Economics

Voulme five of "Contributions to Canadian Economics" of the University of Toronto has interesting studies on wheat, railways and combines.

Under the heading of wheat, the Royal Canadian Institute address of E. A. MacGibbon which appeared in The Financial Post, February, 1932, is published in full with interesting charts.

M. L. Bladen contributes a valuable group of records to the railway history of Canada by giving the date of the opening of every railway line in Canada up to 1885.

E. W. Bladen makes a study of all public investigations into combines under the Combines Investigation Act and suggests that there are needed new controls by governments in view of the rapid rationalization of industry and the elimination of competition.

The volume contains also the usual bibliography of publications on Canadian economics. It covers the period from June to December, 1931, inclusive.

"Contributions to Canadian Economics" is published by the University of Toronto Press at $1.00.

As Others See Us

Way to Increase Trade

Hamilton Herald.—The Financial Post is again critical of the Ottawa Government, not to say hostile. Here is one observation on the budget:

"The effort is a sorry one. Again taxation is substituted for economy."

The onerous new taxes, in the view of The Post, will not help to stimulate business. The hope of a revival of business is what the government has been building upon. There is only one comment to be made upon this. The government will not adopt the measures which have been adopted elsewhere to make business possible, such measures as brought trade in abundance to our shores in the years before the depression.

Even with Britain, with whom special arrangements to increase trade were negotiated, every device compatible with avoiding an open violation of the agreement made, has been put into force to obstruct the British traders. How can we expect trade to increase under such conditions?

Ask Mr. Rhodes Too

Vancouver Province. — When a deficit is not a deficit, according to Hon. Finance Minister Jones: When the money you spent that you hadn't got went for unemployment.

"Stop Me If You Have Heard This One"

Pedestrian (to boy leading a skinny mongrel pup)—What kind of a dog is that, my boy?
Boy—This is a police dog.
Pedestrian—That doesn't look like a police dog.
Boy—Nope, it's in the secret service.

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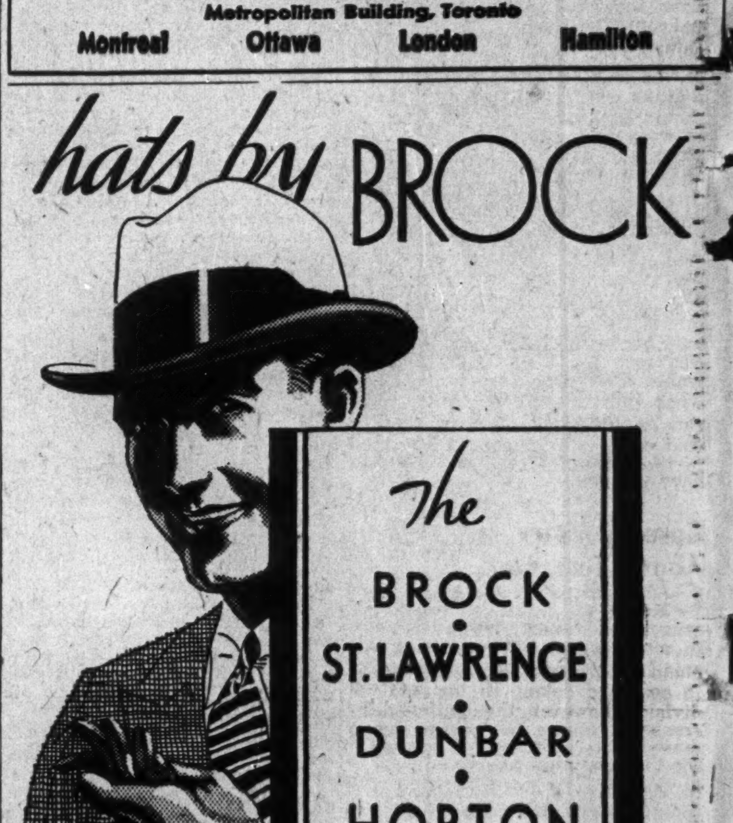

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Business Conditions in Canada

The Week in Business

Spring Trade Remains Sluggish

EARLY reports regarding spring trade indicate that retailers are holding off as long as possible and that the public has not yet shown any desire to purchase in quantity. In a few lines, such as millinery and men's clothing, there has been some activity but in the larger centres special sales of the large department stores continue to take a great deal of the business that is available owing to extremely low prices. In most instances it is stated that the goods handled in these sales yield the manufacturer little or no profit.

Manufacturing showed some improvement at March 1, according to the employment figures compiled by the Dominion Bureau of Statistics at that date, textiles and rubber being two of the most active lines. Automobile sales are about 25 per cent behind last year's figure and factories have not yet increased their output to any extent. Automobile exports were smaller in January and February than in the same two months of 1932 but a large shipment of cars to Spain in March marks the resumption of a trade which has been stagnant for some time and gives promise of a better showing when complete returns for the month are available.

• • •

Mortgage Relief Bill Turns Eyes on U. S. A.

GIVEN temporary success the "Mortgage Relief Bill" introduced by President Roosevelt in the United States this week, would undoubtedly have tremendous repercussions in Canada. In its present form this measure affects all relations between debtor and creditor and contrasts sharply with the viewpoint of the majority of legislators in this country who have advocated that as yet no permanent change should be made in the relationship between debtor and creditor. Banks, trust and loan companies, insurance companies, in fact all large financial organizations will be directly affected.

The bill is designed to give immediate relief to farmers by funding all mortgages on the basis of four and a half per cent through the issuance of bonds by federal land banks. A tremendous volume of frozen assets will thereby be released throughout the country. Just what this would mean in Canada can be visualized when it is noted that farm mortgages as reported in the census of 1931 amounted to $677,000,000.

• • •

Gasoline Sales Above Year Ago

CAR loadings for the week ended March 25 failed to show any seasonal advance, a slight increase in merchandise loadings being too small to compensate for decreases in coal and coke. In the western division, however, the continued increased volume of grain being moved was sufficient to maintain the total at much the same level as in the previous week and the seasonally corrected index rose from 71.93 to 72.41. Merchandise loadings were increased in the eastern division along with pulpwood and lumber but losses in pulp and paper and coal and coke combined to carry the index to 53.13, a new low point for the year.

Gasoline sales in January, while somewhat below the December figure, were 9.3 per cent above the total for January, 1933. Probably the most logical reason for this advance in consumption in the face of reduced business activity is the generally open weather experienced during the month throughout Canada. Construction contracts awarded in March failed to show any material increase over the figure for the previous month and, while prospects are reported to be somewhat brighter, it seems doubtful if the usual big advance of April will be accomplished even from the extremely low level of March.

FEB. RETAIL SALES AT NEW LOW POINT

Indices Show General Decline From January

February indices for retail sales, based on returns from 83 chains, reached the lowest point in many cases since the index started in January, 1929, and the combined index for all stores was the lowest on record. These indices are not corrected for seasonal influences nor for price changes so that they give no indication of volume of sales.

From 64.1 in January, the combined index fell to a new low of 61.6, boots and shoes, clothing, groceries and meats and restaurants being the groups to record the largest declines. Candy stores, dyers and cleaners, furniture and hardware stores showed increases from the previous month.

Indices of Retail Sales
(Jan., 1929—100)
(Based on Returns of 83 Chains)

	Feb. 1933	Jan. 1933	Feb. 1932
Boots & shoes	44.5	50.8	48.1
Candy	59.1	53.2	69.8
Clothing	41.1	52.0	52.1
Drugs	70.2	75.2	87.4
Dyers & cleaners	68.0	66.8	76.4
Furniture	31.1	27.4	64.5
Gen. & depart.	66.8	66.9	78.7
Groc. & meat	67.4	70.2	80.8
Hardware	44.5	43.2	54.1
Music & radio	16.6	20.7	34.9
Restaurants	51.1	55.0	65.0
General	61.6	64.1	74.4

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GAIN IN TEXTILES FEATURES REPORT ON EMPLOYMENT

Fewer Employed in Aggregate Than at Feb. 1 But Loss is Small

There was a slight falling off in employment at the beginning of March, but this involved a very much smaller number of workers than were laid off at March 1, 1932 and 1931. The corrected index, however, failed to rise, as in previous years there has been an increase in the number employed on March 1 compared with February 1.

The corrected index for the month for all industries was 80.8 compared with 81.1 at Feb. 1, this index being compiled from the returns of 7,959 of the larger employers of labor throughout the Dominion whose payrolls aggregated 707,356 persons at March 1, compared with 708,644 at the beginning of the previous month.

Manufacturing More Active

Improvement in employment was indicated in manufacturing, notably of textile, rubber and iron and steel products, and mining and construction also showed an increase in employment, but seasonal curtailment was shown in logging and transportation. Trade, services and communications also showed somewhat reduced activity.

Ontario was the area showing the greatest gain from the previous month, while figures for the Maritimes were also higher. Quebec showed some contraction against the usual seasonal trend although manufacturing industries reported higher totals. British Columbia remained at about the same level as on Feb. 1 while the Prairie Provinces recorded the usual late winter decline.

Employment in Cities

Employment in the Maritimes and the chief cities in the Dominion, as reported to the Bureau of Statistics, is as follows:

Maritimes—Manufacturing, mining and railway construction reported more workers while other activity was slacker with large losses in highway construction. Total workers, however, were increased, the 560 employers co-operating having 53,423 employees compared with 53,239 at Feb. 1.

Montreal—Gains in textile manufacturing more than offset by losses in construction and trade.

Quebec—Manufacturing afforded more employment and construction and transportation were also brisker, while other industries reported only small changes.

Toronto—Textile, lumber, tobacco, liquor and iron and steel groups reported increased activity but there was a considerable decline in food, construction trade and services. No change in the total employed.

Ottawa—Trade slightly improved balanced by slight declines in construction, manufactures and transportation.

Hamilton—A slight gain recorded on the whole with manufacturing showing some improvement.

Windsor and Border Cities—Gain was entirely in manufacturing, chiefly automotive. Little change in other groups.

Winnipeg—Transportation and communications were slacker but this was more than offset by increases in manufacturing.

Vancouver—Manufacturing recorded a small gain but other groups showed curtailment.

Three Months Failures Down to 10 p.c. From 1932

Failures under the Bankruptcy Act during the period from January 1 to March 25 numbered 480, a decrease of 56, or ten per cent, from the number recorded in the same period of 1932.

In the week ended March 25 failures numbered 35, one less than in the same week last year. Failures for the three months by provinces are as follows:

Failures in Period Jan. 1 to Mar. 25

	1932	1933	Increase or Decrease
P. E. I.	3	4	+1
N. S.	16	19	+3
N. B.	22	14	—8
P. Q.	162	132	—30
Ont.	215	225	+10
Man.	19	23	+4
Sask.	22	15	—7
Alta.	46	28	—18
B. C.	31	20	—11
	536	480	—56

Commodity Prices

Commodity Prices at Wholesale‡

	Week ending Apr. 1	Previous week	Same week last yr.
Cattle (cwt.)	$5.00	$5.00	$7.00
Copper, lb.	.05	.05⅛	.06
Cotton, lb.	.0640	.0645	.0625
Rubber, lb.	.0296	.0295	.03
Silk, lb.	1.20	1.20	1.55
Sugar, raw, lb.	.0295	.0298	.0269
Wheat (Man.) bu.	.49⅝	.48⅞	.59¾
Hides, lb.	.06	.06	.06
Coffee, lb.	.07¾	.08	.07¼

Weekly Indices

N. Y. Annalist	82.1	82.8	90.3
Fishers'	56.4	56.6	†62.0
N. Y. Journal of Comm.	53.6	54.0	58.5
Crumps (Brit.)	60.0	60.3	†62.4

†Average 1932.

Monthly Indices

	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.) (Feb.)	63.6	63.9	69.2
Retail (Feb)	79.0	79.7	84.5
U. S. Labor (Feb.)	59.8	61.0	66.3
Gt. Brit. (Feb.)§	47.1	46.9	50.6

‡ Basis of price quotations is as follows: cattle — steers, good, over 1,050 lbs., top price, Toronto; copper—electrolytic, New York; silk—Japanese, 13-15, New York; sugar—96 degree centrifugal c/f New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

§ Converted to U. S. dollar equivalent.

Automobiles Bound for Spain

A trainload of Chrysler products, produced in Canada, ready to leave Windsor for Spain. This complete trainload of cars, including models of Chrysler, Plymouth Dodge and DeSoto, marks the resumption of this trade. Over 400 cars of all makes were exported to Spain in 1930.

Little Hope This Spring For Construction Revival

Financing is First Worry — Three Months' Contracts Totalling Only One-third of Corresponding Figure Last Year Reflect Depression

With mortgage and financing difficulties besetting the builder and only the most necessary public works and factory renovations and additions being carried on, the construction industry can see little in the immediate future to warrant optimism and certainly looks for no immediate revival, according to representatives of the industry interviewed by The Financial Post.

During the past year the activities of the industry have been largely employed in dwelling house and small factory construction. Nothing of any magnitude is at present planned in the Dominion and it would appear that unless financial assistance can be secured from some source or other, there will be little change this spring and summer.

Contracts Awarded Low

The low ebb at which the industry is operating is apparent from the construction contracts awarded during the first three months of the present year, as compiled by MacLean Building Reports, Toronto. During this period contracts awarded amounted to $9,703,300, an insignificant total even when compared with the comparatively small figure of $38,307,600 for the first three months of 1932, and decidedly pany alongside $73,541,000 for January-March, 1931, and $90,257,300 for the same period of 1930.

Construction contracts awarded in March totalled $3,191,600 compared with $10,766,700 in March, 1932, and only slightly in excess of the award of February. Residential construction is the only group to make any kind of showing against the totals for March a year ago, the comparative figures being $1,106,800 and $1,931,700. Business buildings are less than one third of the March, 1932 figures, while engineering contracts of only $429,300 compare with $4,196,900 in March, 1932.

B. C. Shows Up Best

As has been the case in each month of this year, British Columbia makes the best showing in March compared with a year ago. Only one large award is included in the British Columbia total of $517,500 for March, a mining mill at Camburne, B.C., at a cost of $150,000 being the item. Ontario leads in actual contracts with $1,325,400, about half of which is residential, Quebec being in second place with $972,700 only $263,100 of which is residential.

Difficulty of financing any construction except in cases where the demand for accommodation is exceedingly strong has eliminated the speculative builder from the field and this result of the present depression is one of the few which will benefit the industry. Some builders report that they experience little difficulty in obtaining sufficient financing to meet all their needs but the general experience seems to be that lack of means of financing is holding up a considerable volume of business.

Enterprise Pays

While most of the residential building that is going on is being done on definite orders, an interesting case of a builder utilizing cheap lots in a good residential district for the erection of small modern homes of about $5,000 to $7,500 comes to light in Toronto. In this case the lots were merely fragments of intricate shapes and were generally conceded to be valueless for building of houses. They have been cleverly used, however, and the modern small homes erected there were all sold shortly after completion.

President Roosevelt's suggestion to fund all mortgages in the United States by issuing in their place United States 4½ per cent bonds is being closely watched by the construction industry in Canada. Details of plan have not been published, the plan itself being only in the embryo stage, but any such reduction of the interest and capital burden at present being carried by the industry would undoubtedly create the necessary funds to finance a considerable amount of building.

New Industries and Plant Extensions in Canada

Compiled Weekly
By The Financial Post

Dalgleish & Co., of Montreal, has leased space in Toronto and will manufacture sodium hypochloride there. This new plant has been established to serve the Ontario and western market, the eastern market being handled from the Montreal plant.

Purdy and Green, Ltd., of Indiantown, N.B., has installed a new line hydrator of two tons an hour capacity, stated to be the first of its kind manufactured in Canada. Charles T. Green is manager of the company.

Perth Dye Works, Ltd., recently opened a new cleaning and dyeing plant in Winnipeg, embodying all the most modern machinery. The firm has been established in that city since 1912. N. P. Portnoy is president, and J. C. Pridham, manager.

Federal Oil Consumers, Ltd., has been granted an Alberta provincial charter and plans to erect a $75,000 refinery in or adjacent to Calgary. The company plans to market its products co-operatively. W. A. McLean is secretary.

Kitchener Plating Co. is the name of a new concern which has been formed in Kitchener, Ont., to handle plating in silver, gold, nickel, copper and oxidized metal. G. Boyer is owner and manager of the new concern.

Sun-Tested Wall Papers, Ltd., recently incorporated, will shortly commence the manufacture in Toronto of wall paper. The company has purchased the sole rights for Canada of the United Wall Paper Factories, Inc., of Jersey City, N.J. Part of the former Dodge plant in Toronto has been leased and alterations and the installation of machinery are being proceeded with. Herbert C. Jarvis is president and general manager of the new concern. R. A. Jarvis, N. S. Jarvis and Donald Guthrie, of Toronto, and W. A. Huppuch, A. L. Palmer and R. B. Griffin, of the United States company, form the directorate.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1933	Weekly Latest 1932	Cumulative Jan. 1 to date 1933	Cumulative Jan. 1 to date 1932
Transportation—				
Car loadings (Mar. 25)	35,532	38,667	396,215	493,942
C. P. R. gross earn. (Mar. 21) $	2,003,000	$ 2,298,000	$ 20,771,000	$ 25,199,000
C. N. R. gross earn. (Mar. 21) $	2,132,714	$ 2,730,438	$ 22,990,272	$ 29,970,329
Automobile exports, No. (Feb.)	277	414	781	996
	Monthly			
C. P. R. net earn. (Feb.) $	96,611	$ 229,434	$ 419,983	$ 846,913
C. N. R. net earn. (Feb.) $	‡1,401,934	$ ‡589,428	$ ‡2,822,782	$ ‡1,177,550
Iron and Steel—				
Pig iron, tons (Feb.)	6,144	10,507	35,353	20,812
Steel, tons (Feb.)	12,374	28,469	53,140	53,529
Automobiles prod., No. (Feb.)	3,298	5,477	6,656	9,208
Automobile exports, No. (Feb.)	277	414	781	996
Construction—				
Building permits (Feb.) $	906,906	$ 2,846,271	$ 2,070,784	$ 6,056,283
Contracts (Mar.) $	3,191,600	$ 10,766,700	$ 9,703,300	$ 38,307,600
Newsprint—				
Production, tons (Feb.)	125,610	158,543	266,149	329,864
Exports, tons, (Feb.)	107,446	142,445	235,225	315,358
Sugar—				
Imports, raw, lbs. (Jan.)	8,621,900	11,985,700	......	......
Melt & ship. lbs.*	19,041,407	27,454,330	37,808,036	55,426,344
Manufactured, lbs.*	20,347,109	25,680,631	47,650,242	53,571,920
Flour—				
Production, bbls. (Feb.)	844,899	842,123	1,604,006	1,699,315
Wheat flour exp., bbls. (Feb.)	333,114	337,513	730,418	669,319
Other Industrial Indices—				
Lumbering: Plank & board exports, mill ft. (Feb.)	37.71	60.44	76.89	114.29
Boots and shoes, pr. (Jan.)	921,898	1,112,192	......	......
Petroleum, imp. crude, gal. (February)	37,555,919	48,582,747	72,640,869	121,311,390
Cotton, imp., raw, lbs. (February)	6,026,000	7,074,000	14,791,000	15,702,000
Rubber, raw, imp. lbs. (Feb.)	2,631,013	3,859,283	5,294,427	7,770,680
Coal, imports, tons (Feb.)	455,272	508,696	941,478	1,138,329
Gasoline sales (Jan.)	27,712,000	25,354,000	......	......
Trade—				
Imports (February) $	23,514,114	$ 35,586,085	$ 47,955,247	$ 69,700,592
Exports (February) $	26,397,528	$ 36,431,055	$ 57,959,341	$ 74,797,754
Wheat exports, bus. (Feb.)	10,922,337	9,898,363	25,629,138	19,370,709
Labor—				
Employment Index (Mar.)	76.9	83.7	......	......
Electric Power—Output—				
M. Kilowatt hours (Feb.)	1,299,566	1,325,133	2,696,205	2,739,051
Finance—				
Failures, No. (Jan.)	213	238	......	......
Failures, Liabilities (Jan.) $	4,049,929	$ 4,060,643	......	......
Bank debits† (Feb.) $	1,830,277	$ 1,990,046	$ 3,799,152	$ 4,061,081
Bond sales (Feb.) $	209,000	$ 21,270,069	$ 20,412,610	$ 67,432,155
Insurance sales (Feb.) $	26,323,000	$ 38,145,000	$ 75,476,000	$ 81,368,000
Automobile Financing:				
Used cars (Feb.) $	631,147	$ 801,663	$ 1,165,804	$ 1,614,164
New cars (Feb.) $	530,449	$ 727,705	$ 982,201	$ 1,360,412

* Four weeks period, Feb. 4 to Feb. 25. † (000's omitted). ‡ Deficit.

Week's Figures Gain Slightly In Comparison

While most of the monthly statistics released during the week showed improvement over the previous month, in every case with the exception of coal production these increases were seasonal. Gasoline sales in January were higher than in the same month of 1932 but this was the only monthly figures higher than the corresponding month of 1932. New car sales, a new index recently started by the Dominion Bureau of Statistics, shows that sales of passenger automobiles have failed as yet to hit the stride of 1932.

		—Change— From prev. period %	From prev. year %
Monthly:	March., 1933		
Constr. contract $	3,191,600	+1.4	—70.4
	Feb., 1933		
New car sales. No.	2,158	+31.4	—24.0
$	2,281,811	+36.1	—26.3
Pete. imports. gal.	37,555,919	+7.0	—22.7
Coal output.. tons	1,036,405	+1.3	—12.8
Coke prod... tons	106,059	—29.3	—26.4
Immigrants.. No.	909	+29.6	—12.5
Bank debits (in thousands) $	1,830,277	—7.0	—8.0
	Jan., 1933		
Gasoline sales ...... gal.	27,712,000	—6.6	+9.3
Weekly:	Mar., 1933		
Car loadings. No.	35,532	—1.3	—8.1
Wheat stks... bu.	225,580,458	+0.4	+21.1
Wheat exp... bu.	2,694,380	—5.6	+19.9

Moose Jaw Cattle Receipts

Receipts of livestock at the Moose Jaw stockyards continue on a larger scale than last year—both January and February of 1933 recording increases. There is a decrease in the number of cattle and horses but a large increase in swine and sheep.

CHILLING PROCESS OPENS BIG MARKET TO TURKEY RAISER

Successful Shipment Made to England of Over 1,000,000 lbs.

More than a million pounds of turkey were shipped to the British market in November and December last year for the Christmas trade and not only was the reception in that country excellent but the Canadian grower received an average of three cents a pound more than the top prices ruling in the Canadian market, according to W. A. Landreth, president and general manager of the Canadian Poultry Pool, Ltd., Winnipeg.

Mr. Landreth explained that the 1932 shipments were the first attempt to supply the English Christmas trade with fresh turkey by using a new chilling process. Under the new plan, the grower is obliged to dress his turkeys the day they are killed and take them immediately to the nearest poultry pool shipping point. There they are weighed and placed in pre-cooled refrigerator cars and rushed to the Atlantic seabroad for shipment to England. Throughout the entire journey a temperature of 2 degrees above freezing is maintained.

Up To Standard

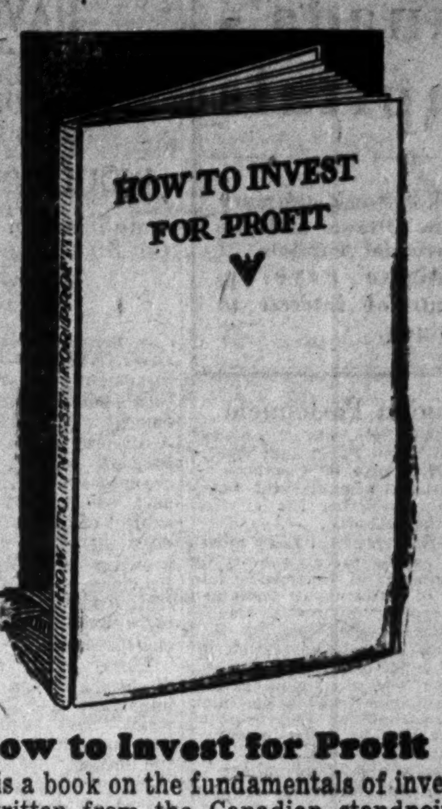
Experience in 1932 showed that in this manner birds arrived in England in excellent condition, fully up to the standard of domestic fowl and therefore commanded good prices. Of shipments made by the Canadian Poultry Pool and its affiliated provincial organizations, making up 97 per cent of total Canadian shipments, Mr. Landreth stated that not one pound was lost by damage in transit.

Commenting on the chilled turkey trade, W. A. Wilson, Animal Products Trade Commissioner for Canada in Great Britain, states that the success of the trade provided convincing and irrefutable evidence of the value of doing things better than one's competitors. Nothing but lauditory comments were received on the condition and packing of the birds and buyers are ready to continue the trade this year, Mr. Wilson remarks.

Makes Suggestions

In surveying the situation in England, Mr. Wilson makes a number of suggestions for improving the high standard already attained. He stresses the need for uniformity in number of birds to the case and in style of pack, and points out that, in the British Trade, the accepted practice in describing weights is a two-pound differential compared with the three-pound differential generally in use in this country. The survey should be of interest to growers and shippers in this country who consider expanding this trade in 1933.

Wheat Exports for the week ended March 24 amounted to 2,694,380 bu., an increase of 447,581 bu. over the corresponding week of 1932, but 160,851 bu. less than the total exported in the previous week.



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Business Briefs

Average Value of the pound sterling declared by the Department of National Revenue for special duty purposes is $4.13 effective for entries during the period April 1 to 15.

Gasoline Sales in January amounted to 27,712,000 gallons, a decrease of nearly 2,000,000 gallons from December but more than 2,350,000 gallons greater than the total recorded in January, 1932.

Crude Petroleum Imports in February totalled 37,555,919 gallons compared with 35,084,950 gallons in January and 48,582,747 gallons in February, 1932.

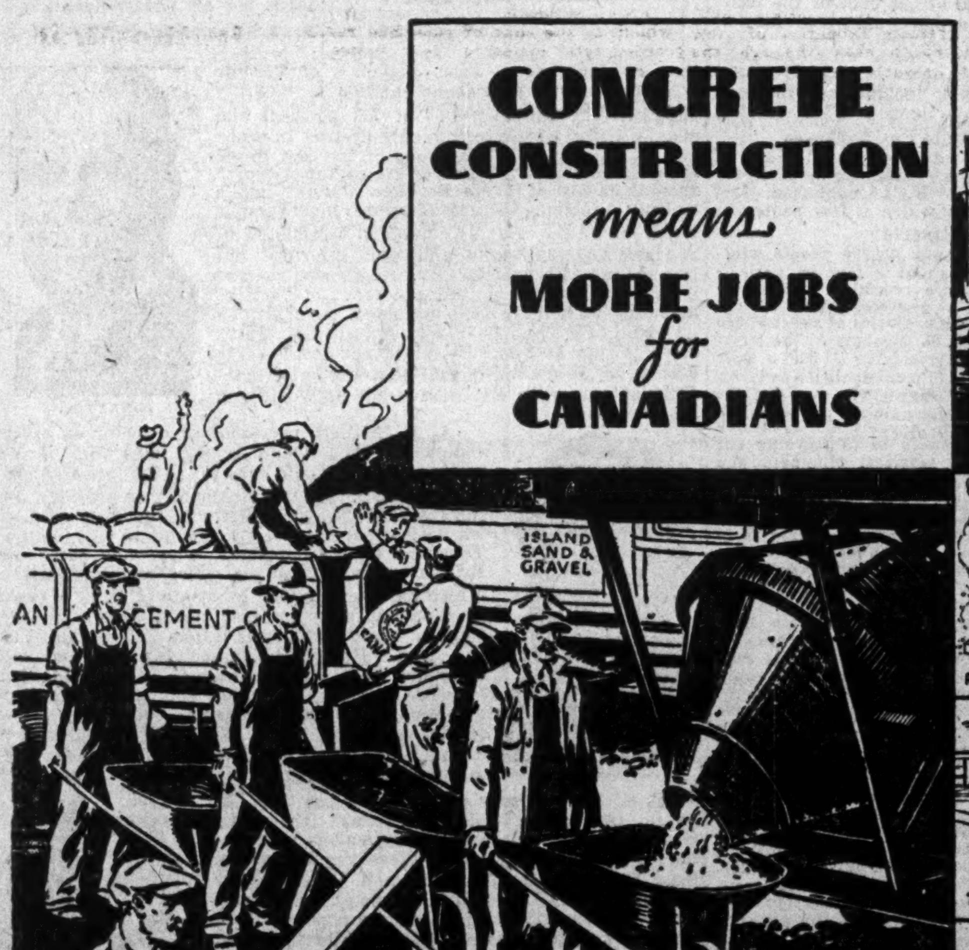
Car Loadings for the week ended March 25 amounted to 35,532 cars, a decrease of 354 cars from the previous week and compared with 38,667 cars in the corresponding week of 1932. The corrected index declined from 60.06 to 59.28.

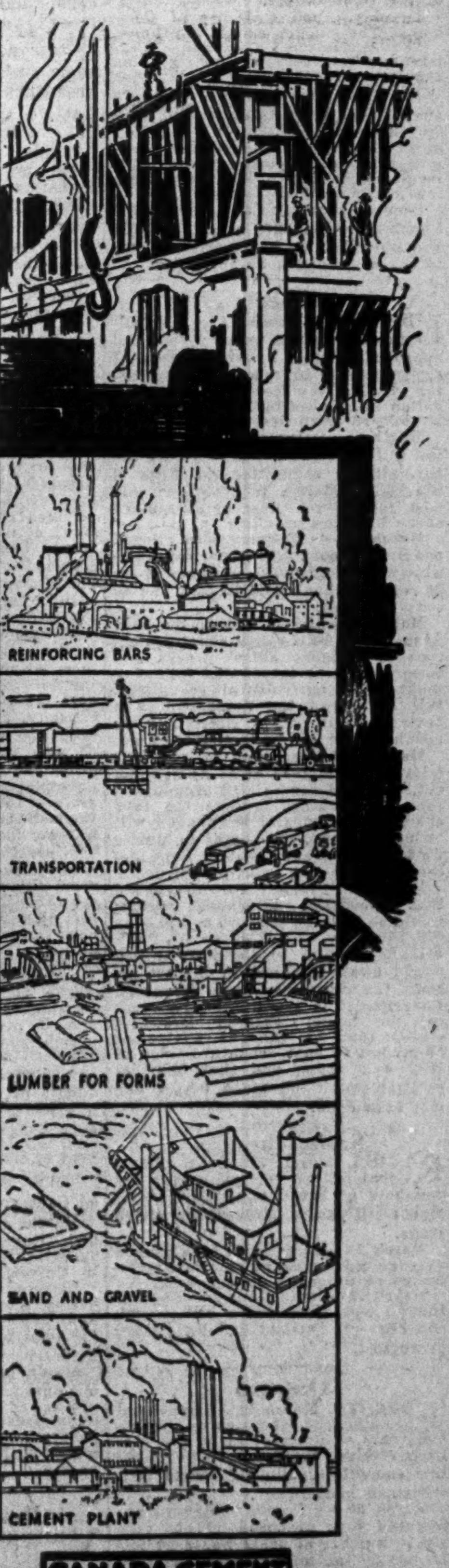
Wheat Stocks at March 24 amounted to 225,580,458 bu., a slight increase over the 224,638,070 bu. recorded at the close of the previous week, and compared with 186,242,211 bu. at the corresponding date in 1932.

Persons Entering Canada Down 13 p.c. From 1932

Immigrants entering Canada in February numbered 909 compared with 1,039 in February a year ago, a decline of 13 per cent. The largest decline was in the numbers entering from the United States, only 554 becoming residents of Canada compared with 684 in February, 1932, a decrease of 19 per cent.

British and Northern European races entering during the month were fewer than a year ago, the comparative totals of 96 and 36 being 12 per cent and 14 per cent, respectively, less than in February, 1932. Southern European and other immigrants, however, were greater in number, 223 entering compared with 204, an increase of 9 per cent. Hebrews, Italians and Magyars were increased the most, while Bulgarians, Slovaks and Japanese showed the greatest decline





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NEWS FROM

Canada's Capitals

A week-by-week summary from Ottawa and the provincial capitals of legislative developments of interest to business.

Dominion Parliament

OTTAWA—Highlights of the week in Dominion Parliament were:

March 29, House of Commons — Government bill amending the Criminal Code (restricting use of firearms) further debated.

Senate—Senator D. E. Riley moves resolution calling for an enquiry by Senate Agricultural Committee into conditions of cattle export trade and the cattle industry generally. Amendment to the Income War Tax Bill, dealing with taxation of foreign incorporated personal corporations, given second and third readings and passed. Amendment to the Dominion Notes Act, authorizing suspension of gold redemption by order-in-council also given final approval.

Senate private bills committee — The McRae Bill legalizing hospital sweepstakes is approved.

Senate Banking and Commerce committee—Revised Canada shipping legislation further considered.

March 30, House of Commons—In answer to requests for delay in dealing with the Canada shipping legislation until 1934, Hon. Alfred Duranleau, minister of marine, declares the government believes the public interest will best be served by action at this session. Criminal code amendment dealing with firearms passed. Amendment to Penitentiaries Act removing personnel from control of Civil Service Commission occasions spirited debate and is advanced to first reading. House considers and votes supply for departments of justice, immigration and mines.

Agricultural committee continues the enquiry into milk conditions at Montreal.

Senate — Senator Hance Logan reads protest from Jamaica in regard to the recent decision of the government to extend free entry to Palestine oranges. The Unemployment Relief Act extension bill is considered and passed. Rt. Hon. L. P. Duff, Chief Justice of Canada, acting as deputy to the governor-general gives Royal Assent to the following bills: Migratory Birds Convention Act, Income War Tax Act, Salary Deduction Act, Income War Tax Act (special tax), Exchequer Court Act, Dominion Notes Act, Unemployment Relief Act. The Senate adjourned until Tuesday, April 4.

March 31, House of Commons — Hon. E. N. Rhodes, announces modifications in the proposed five per cent tax on bond interest and stock dividends paid outside of Canada. The budget debate is continued until 6 p.m., and Department of Agriculture estimates are proceeded with in the evening.

Monday, April 3, House of Commons—Amendment to Royal Canadian Mounted Police Act is passed. Amendment to Penitentiary Act, removing employees from the jurisdiction of the Civil Service Commission, is further considered in committee of the whole house.

Tuesday, April 4, House of Commons—The budget debate continues.

The Agricultural Committee—Legislation remodelling hay grading regulations approved.

The Senate—McRae Bill legalizing sweepstakes given third reading with amendments restricting the number of sweepstakes to one in each province per year. Debate on the Riley resolution calling for an investigation into cattle markets continues.

Senate Banking and Commerce Committee—Evidence of shipbuilders and operators is heard with regard to the new Canada Shipping Act.

Alberta

EDMONTON, March 24 — Agricultural estimates under review and approved. Public health department estimates also approved. Bill increasing gasoline tax from 5 to 6 cents a gallon introduced by Premier Brownlee and received first reading.

March 25—Delegation from Edmonton U. F. A. local appeared before the agricultural committee to urge a provincial woollen mill, tannery and boot factory for disposal of Alberta sheep breeders products.

March 27 — Enquiry into alleged padding of contracts given for highway work continues. Witness avers 30 cents an hour paid to men and 40 cents charged.

March 28—Bill to broaden the Debt Adjustment Act to give equal protection to resident home owners and farmers will be introduced following findings of agricultural committee. Bill to spread tax arrears over a period of six years distributed to members and will be introduced soon.

March 29—Formation of two district courts instead of 16 as at present, provided for in bill. Announced that new cabinet minister to take charge of provincial telephones will be named soon. Estimates of public works department showing large decreases from last year, passed.

March 30—Premier Brownlee stated that provincial telephones deficit would be between $800,000 and $1,000,000 for year ended March 31, 1933. Bill distributed to members which would allow province to inspect income tax returns made to Dominion Government if reciprocal agreement can be made. Premier Brownlee stated that he thought advice of banks not to float debenture issue in 1932 was wrong and that financial position would be much better had this been done.

Saskatchewan

REGINA, March 27—Debt adjustment bill given royal assent and members of board announced. Civil rights bill passed through committee stage.

March 28—Many small bills rushed through third reading to allow legislature to prorogue during week.

March 29—Contentious gasoline bill thrown out. Civil rights bill passed. Business all finished and legislature prorogued.

Ontario

TORONTO, March 29—Amendment to municipal act which would prevent sale of accessories at gas stations received opposition in municipal law committee. Budget debate continued in house.

March 30 — Premier Henry announced that proposed 20 per cent cut in number of seats would be followed by a corresponding cut in number of cabinet ministers. James Lyons, Conservative, addressed the house for two hours advocating beer and wine in hotels and restaurants.

April 4—Budget debate closed

Manitoba

WINNIPEG, March 28—Bill which would have relieved Winnipeg Electric of payment of 5 per cent of gross earnings and snow removal and paving charges to the city defeated. Gasoline rebate to farmers and industrial users wiped out by bill.

March 29—W. Sanford Evans opened Conservative attack on budget.

March 30—Budget debate continued. Government charged with responsibility for further defalcations in University funds.

National board of control over marketing of livestock, dairy products and poultry proposed by head of Canadian Co-operative Livestock, Ltd. before agricultural committee.

March 31 — J. C. M. Ligertwood, appointed acting comptroller-general in place of Robert Drummond, retired. Supplementary estimates to meet expenses incurred during the year ending April 30, 1933, totalling $780,000, passed.

British Columbia

VICTORIA, March 24 — Appointment of royal commission to probe financial relations of government and municipalities, announced.

March 25—Union government, unemployment insurance and a legislature appointed for eight years was the proposal of Hon. W. A. McKenzie, minister of mines and labor. Budget debate continued.

March 27—T. D. Pattullo, Liberal leader, stated that he had refused to join a Union government but would co-operate.

March 28 — Stated in house that Fernie, B.C., coal mines would be closed and 5,000 persons left stranded.

March 29—Union government proposals occupied attention of members.

PUBLIC ROUSED, MANITOBA MAY HAVE CHANGE

Taxes and Budget Deficit Bring Discussion as to Cause

WOULD CUT COSTS

Simplification of Political Structure Regarded as Essential Step

From Our Own Correspondent

WINNIPEG. — Some decided movement for revamping Manitoba's political structure may easily emerge out of discussions presently in progress as to the financial position of the province. What changes are possible and how they may be brought about form the subject of conversation among business men, for the realization is growing that Winnipeg and the Province of Manitoba have a political structure that is too expensive to be maintained according to present standards.

Three things are bringing the discussions to a head. The most important is the new taxation which the provincial government has announced in order to balance the budget; second, comes the realization that even the full estimated yield of such taxation will not bring any real budget balance. Third, was the suggestion that the Winnipeg Grain Exchange might move from the city to the head of the lakes.

Want Simplification

There has been a sharp realization that if such a move did occur, it would bring almost immediately a severe crisis in provincial and municipal finance. The government of the province is under attack, not so much in the narrow sense of criticism of the present premier and his cabinet, although that of course is not lacking, but in the wider sense of the whole machinery of administration. Something very much simpler than now exists is now talked of as necessary and desirable.

A firm determination has been expressed in the Legislature, not only by the government but by all the opposition with the exception of the small Labor group, to meet in full Manitoba's obligations to borrowers. But there has also been indicated a firm determination to continue a certain scale of organization and spending. The costs of the two add up to more than any probable ability of the government to secure revenue, whether by taxation, by borrowing or by Dominion Government assistance, and even if the difficulty could be met by borrowing the weight of the problem would only increase at an accelerating rate.

The situation is aggravated by the fact that Manitoba has coming due within the year some $6,000,000 in United States funds. Some means of refunding, not only the principal sum, but the cost of exchange, has to be found.

Discussion of possible means of conversion of the debt of the province to a lower interest rate is checked by a feeling that the Dominion Government may undertake some such operation which can be broadened to include the provincial field.

Would Cut Expenses

Typical of the general state of mind is a letter from Travers Sweatman, K.C., published last week, from which a few sentences may be extracted:

"Why should 700,000 people, scattered throughout a pioneer agricultural province require a lieutenant-governor, a premier, eight cabinet ministers with salaries of about $7,000 a year each, 55 members of the legislature each receiving $1,800 a year indemnity, 175 municipalities and over 2,200 school districts? . . . . Let the legislature delegate to its executive the power to appoint a commission whose job would be to redesign our government services, eliminate and cut to the bone our governmental expenditures. . . . . If drastic measures of the character which I have outlined are not adopted, what is in front of us The answer lies in one word, 'bankruptcy' and this within a period to be measured not in years, but in months."

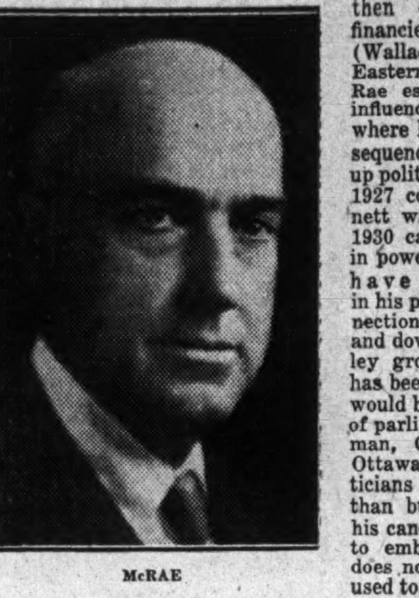
Difficulty in securing action from the present legislature, or from a government responsible to it, is seen in the political make-up of the province. Although half the population of the province is urban, and a great deal more than half the tax-paying capacity, the legislature by a great preponderance, is rural. The weight of new taxation must rest on the cities and towns where the burden of unemployment relief now mainly rests, if for no other reason than that the country, under present conditions, has no further tax-paying capacity. The pressure for governmental economy is much less from country than from city members, and the pressure from the cities is lessened by the fact that labor members have so far been in favor of spending rather than economy.

Would Organize Action

The announcement of new taxes, striking at the working man's wages, and at his spending of them, may possibly alter the situation in that respect. Out of that situation arises the suggestion that mass meetings should be organized in the city with a view to bringing organized pressure to bear upon the government and the legislature for some emergent and wide-reaching action.

Eight Are On Slate As C.N.R. Dictator

Eight names are prominent in Ottawa gossip concerning the new chairman of the board of trustees of the Canadian National Railways. They are:

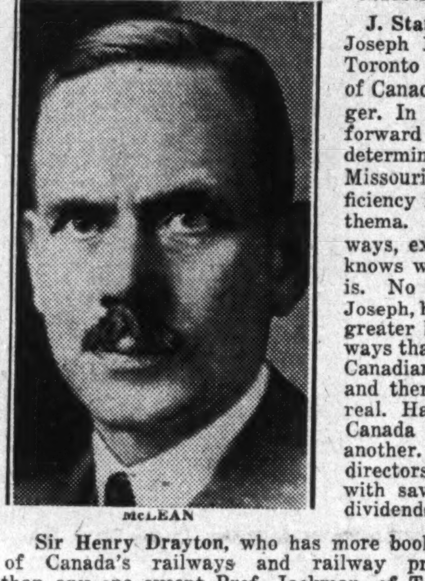


McRAE

Maj. Gen. A. D. McRae. A round robin with signatures of 70 M.P.'s is said to be in the hands of the Prime Minister, asking that he be appointed. Pre-war immigration and land promoter of the Prairies (Saskatchewan Land Company); then company organizer and financier in British Columbia (Wallace Fisheries, Pacific Great Eastern Railway, etc.), Gen. McRae established his wealth and influence before going overseas where he was a brass hat of consequence. After the war he took up politics seriously, organized the 1927 convention where Mr. Bennett was named leader, ran the 1930 campaign that put Bennett in power. His financial activities have received less publicity in his period of politicraft but connection with the meteoric (up and down) activities of the Lindsley group of mining developers has been noted. His appointment would be a concession to the views of parliamentarians (their spokesman, Grattan O'Leary of the Ottawa Journal) who think politicians make better executives than business men. But maybe his candidature is just an attempt to embarrass Mr. Bennett who does not like him as much as he used to.

DUNNING

Charles A. Dunning, English immigrant boy, sound builder and manager of the once (pre-wheat pool) powerful Saskatchewan Co-operative Elevators, Provincial Treasurer and Liberal Prime Minister of Saskatchewan, he came to Ottawa to be Finance Minister for Mr. King. He carried out traditional Liberal party tariff and tax policies, was warmly supported in business circles. Defeated in his riding, and his party defeated in the country, he called for three private cheers, and gave up public life to be a business man. The C. P. R. gave him their $6,000,000 Lucerne-in-Quebec investment to conserve; the Ontario Equitable Life induced him to take their chairmanship to apply financial brains to a company that had been too strong on the selling side. Western friends have started a strong boom for him; business men have no question of his ability to handle the job; but his C. P. R. connection will not help him with the more suspicious public. Unquestionably one of the strongest men in the list — frank, courageous, honest, industrious.



McLEAN

J. Stanley McLean, one of the Sir Joseph Flavelle school of brilliant Toronto business men, and president of Canada Packers, a successful merger. In social and political affairs a forward thinker, he is in business determined, aggressive, and from Missouri. On extravagance and inefficiency he pronounces ruthless anathema. Knows nothing about railways, except what he has read, but knows what the job of an executive is. No mere pocket edition of Sir Joseph, he nevertheless resembles the greater banker industrialist in more ways than one. Distinctly one of the Canadian Bank of Commerce group and therefore frowned on in Montreal. Has a big job now as head of Canada Packers and does not need another. In fact he has taken on few directorships, being too occupied with saving the squeal that means dividends for his shareholders.

DRAYTON

Sir Henry Drayton, who has more book knowledge on the subject of Canada's railways and railway problem than any one except Prof. Jackman, of Toronto University. An industrious nature is wrongly suggested by the long list of his political and quasi-political appointments. He prefers to probe and let others work. Chairman of the first Royal Commission on Railways (Drayton-Acworth famous report of 1917) he knew Canada had a railway problem 15 years before most people really knew it. As Mr. Meighen's Minister of Finance he was sound and well informed but essayed not to be spectacular. He showed realism when he wrote railway advances out of "active" assets in the country's balance sheet. As chairman he would first of all face facts and get the figures down to rock bottom. He might not do the same with costs. It is unlikely that he would be permanently at outs with Mr. Beatty but he would run his own show.

MITCHELL

A. J. Mitchell, president or director of many companies that would sorely miss him if he resigned (as he would have to) to take the C. N. R. chairmanship. He was financial vice-president of the Canadian Northern Railways but was glad he was not financial vice-president to Sir Henry Thornton. He represents enormous sums of British capital in Canada which explains all the directorships. Life long associate of D. B. Hanna, he ponders today on how much better off the country would be today if Hanna had remained at the helm. He and his associates own and run Dominion Salt, Western Canada Flour, Canadian Western Lumber, and other companies. He is a generous, quiet financial genius but probably has no desire to run the C. N. R. He even turned down, King Street says, the financial vice-presidency of the C. P. R.

MORROW

F. K. Morrow, now a member of the C. N. R. board. One of the "Gold Dust twins" (the other, George A. Morrow) he was prominent in refinancing Wall Street favorites before the big crash. Gold Dust, Standard Milling and United Cigar Stores (the U. S. not the Canadian chain) came under their magical touch. From a small office in Toronto he played with millions. Silent always, he found time to appear in a few Canadian deals (Carling's, Walker's, Northern Bakeries, Christie, Brown, etc.) Known as specialists in reorganizing concerns that needed it, the Morrows now have plenty of work to do. Fred Morrow is known as a great cost cutting executive and no one questions his agility. His contribution as a C. N. R. director has been notable. but he will never write a book about it or any of his other financial operations, not because he is ashamed of them but because he does not believe in publicity although he does believe in paid advertising.

BROWNLEE

Hon. J. E. Brownlee, Premier of Alberta, who could have had the chairmanship of the Tariff Board and who would have welcomed release from the turmoil of Alberta politics, but who finally decided to stick by his Prairie ship in rough seas. A brilliant young Toronto student, he went west, jumped into politics, was selected by long-sighted Henry Wise Wood to head a nominally farmer government. He is courageous and sound, but enough of a realist to be constantly making concessions to the radical demands of his followers preferring this to revolution. In his heart he hopes to see the day when many of the policies of his government will be reversed, but he feels also that he has done better by Alberta than Gardiner, Anderson and Bracken have done by Saskatchewan and Manitoba. He unloaded the profitless Northern Alberta Railways on the C. N. R. and C. P. R. doing his province a good turn but the railways a bad one.

GARNEAU

Sir George Garneau, mentioned probably to have the French-Canadians represented on the slate of candidates. An engineer and railway builder 50 years ago, he went into the dry goods business but has given most of his time to public service as mayor of Quebec, president, the Quebec Public Service Commission, etc. He organized the Quebec Tercentennial in 1908 and was knighted in his home city, which pleased him. He takes pictures, fusses with chemistry, is proud of an honorary professorship at Laval, and certainly did not ask to be given a job like running the C. N. R. His jobs are always pleasant ones—patron of a camera contest, chairman of Bonne Entente, member of research council and that sort of thing—personally profitless public service.

DOMINION GLASS FIRST MORTGAGES MATURE SHORTLY

June Will See Preferred as Company's Senior Obligation

From Our Own Correspondent

MONTREAL.—Shareholders of Dominion Glass Co. are looking forward to June 2 next when the company's funded debt matures. At the end of September 30, 1932, there were outstanding $465,700 of 6 per cent first mortgages of an original issue of $2,000,000, initially offered in 1913.

With this senior obligation out of the way the company's only securities in the hands of the public will comprise $2,600,000 of 7 per cent preferred stock and $4,250,000 of common on which dividends are now paid at the rate of $5 a share annually.

At the end of the last fiscal year current assets comprised $3,805,758 of which $389,379 was cash and $910,940 was invested in Government bonds having a market value of $888,500. Current liabilities total $758,957; no bank loans were outstanding.

Provided no further major financing is undertaken the preferred shares will remain as the first charge against the property. This stock is not subject to call and no sinking fund is provided; further, issuance of additional preferred is contingent on consent of the majority of preferred shareholders.

No figures on earnings have been made available during the current year. In the fiscal period ended September 30 last earnings were equal to $12.76 on the preferred and $3.53 a share on the common compared with disbursements of $5 a share, resulting in a deficit for the year of $62,662. Former $7 dividends on the common were cut to their present $5 rate in January, 1932.

DOMINION RUBBER SALES RECORD SHARP DECLINE

Surplus Reduced by $805,654 at Year-End

From Our Own Correspondent

MONTREAL.—Sales of Dominion Rubber Co. in 1932 amounted to $8,320,972, compared with $12,903,744 in the previous year, and net earnings were $612,742 against $887,994 in 1931. After provision for bond interest, and other charges, there was a net loss of $591,615. In 1931, the net loss was $765,346, but provision for depreciation was higher by $461,000 in that year.

Preferred dividends were paid as usual, together with dividends to minority shareholders of a subsidiary company, and the total loss for the year was $805,654, as compared with $979,386, in the preceding year. Surplus at the close of the year totalled $3,855,905.

Profit and Loss

Following is a comparison of profit and loss for the past two years:

	1932 $	1931 $
Sales	8,320,972	12,903,744
Oper. exp.	7,708,230	12,015,751
Net earnings	612,742	887,994
Less: Bond int.	556,000	556,000
Depreciation	531,504	994,606
Invent. w/o	37,000	45,821
Exp. idle plant	79,853	39,934
Loss on prop.	......	16,978
Net loss	591,615	765,346
Preferred divds.	210,000	210,000
Divds. to subs.	4,039	4,039
Loss for year	805,654	979,386
Add: Prev. surplus	4,661,559	5,640,945
Bal. forward	3,855,905	4,661,559

Working Capital

	1932 $	1931 $
Current assets	6,641,023	6,999,868
Current liabs.	299,670	418,999
Net working capital	6,341,353	6,580,869

Balance sheet shows cash up $160,000 at $594,202, a slight reduction in accounts receivable, and a drop of $538,000 in loans receivable which now total $2,900,750. Inventories are slightly higher at $1,978,759 while marketable securities, having a book value of $93,750 and a market value of $94,687 are shown for the first time. Securities and mortgages are down $142,000 at $322,308, property and plant, less reserve for depreciation, are valued at $9,281,715, while goodwill is unchanged at $4,214,052.

EIGHT MEN IN GOSSIP FOR C. N. R.

(Continued from page 1)

Railway Commissioners; a former minister of finance and of railways. In addition he sat on one of the commissions which resulted in the creation of the National system. Moreover, he was never a strongly partizan public man, and his appointment would arouse little criticism from Liberals. It is fairly well understood, here, that Sir Henry would accept the post if offered to him. But his age and the state of his health will weigh heavily against him with the Government.

Then there is J. Stanley McLean, of Toronto, whose business ability is recognized and who has many powerful supporters outside the Conservative party. Nothing is heard against Mr. McLean, but his chances of becoming chairman of the trustee board are not considered to be good.

Another name that is frequently mentioned outside of Ottawa is that of A. J. Mitchell, formerly financial vice-president of the old Canadian Northern. Very little has been heard of him on Parliament Hill, and it is wondered if Mr. Bennett would countenance the selection of one who was so prominently identified with the railroad against which the present premier carried on a vigorous campaign in the old days.

F. K. Morrow Named

F. K. Morrow, of Toronto, who is now a director of the National Railways and who is, in addition, a member of the executive council of the directorate, has been mentioned from the outset. Doubts are expressed, here, if Mr. Morrow would be prepared to sever his business relations and confine himself solely to the National road. If he is prepared to do so, he will be a strong contender for the board.

Other names that are mentioned for trusteeships other than that of the chairman, include Sir George Garneau, of Quebec City, and Premier J. E. Brownlee, of Alberta.

Smelters' Earning Power Again Restricted in 1932 By Low Base Metal Prices

Deficit After Providing for All Charges Shows Gain

YEAR'S SALES HOLD

Wide Field of Operations Set Forth in Annual Statement Sent to Shareholders

From Our Own Correspondent

MONTREAL. — Reflecting reduced output and lower prices for base metals during the year, gross sales of Consolidated Mining and Smelting Co. of Canada amounted to $11,272,234 in 1932 compared with $15,670,946 in the previous year.

Revenues from investments were lower, dividends on the company's common share holdings of West Kootenay Power yielded 10 per cent instead of 12 per cent as in 1931. After interest and other charges, including payment of a 10 per cent stock dividend there was a loss of $4,386,382 for the year. This compared with a loss of $3,548,452 in 1931 when a 10 per cent cash dividend and a 10 per cent stock dividend were paid.

Profit and Loss

Following is a comparison of profit and loss for the past two years:

	1931 $	1932 $
Gross sales	15,670,946	11,272,234
Ore on hand	6,703,849	5,797,198
Total	22,374,795	17,069,432
Less: Prev. year's ore on hand	6,693,388	6,703,849
Customs ore & metal pur.	2,170,012	998,628
Phosphate pur.	838,265	230,845
Total production	12,673,130	9,136,110
Less oper. exp.:		
Min., smelt. & gen.	11,073,179	9,114,840
Development	411,615	308,455
Freight and ins.	747,283	540,289
Operating earnings	441,053	*827,424
Add non-operative inc.:		
Rents and sundry	40,724	52,984
Rev. from invest.	660,528	362,076
W. Kootenay divd.	733,440	611,200
Gain on bonds sold	156,252	......
Net earnings	2,031,997	199,836
Less: Interest, etc.	312,166	313,565
Depreciation	1,784,334	2,104,686
Depletion	617,722	538,050
Taxes	86,741	......
Pension fund	16,919	17,747
Directors' fees	8,440	7,920
Sundry items	5,706	17,250
Loss on bonds sold	......	107,725
Net profit	*800,031	*2,908,107
Less: Dividends	2,748,421	1,478,275
Loss for year	3,548,452	4,386,382
Brought forward	9,352,003	5,804,151
Carried forward	5,804,151	1,417,768

*Deficit.

Working Capital

	1931 $	1932 $
Current assets	13,638,204	15,197,481
Current liabilities	5,650,443	6,998,364
Working capital	7,987,761	8,199,117

Receivables Show Gain

Balance sheet shows an increase of $316,000 in accounts receivable which total $2,352,057. Of this sum receivables from customers and sundry accounts at $1,470,470 include $124,616 advanced to a subsidiary. Cash is lower by $19,000 at $143,022, investment in bonds at $1,873,936 had a market value of $1,679,145 at the year-end compared with book value of $2,646,104 at the end of 1931.

Mines, claims and shares in other companies, less depletion for mineral properties, are carried at $15,286,206, a reduction of $394,000, while plants, less depreciation, are carried at $19,976,590 a reduction of $1,342,000. During the year expenditures on plant totalled $763,127. Stocks on hand total $9,269,189.

In liabilities bank loans show a gain of $490,000 at $3,848,497 and accounts payable are lower at $1,801,946. Premium on shares issued is unchanged at $6,760,345. Issuance of 28,570 additional shares during the year is reflected in capital structure and issued stock now totals $14,801,250 compared with $14,087,000 at the end of 1931. Contingent reserve is unchanged at $5,000,000 and employees' pension fund is slightly higher at $371,734. Reserve for additions to property is lower at $12,243,576.

Survey of Results

In his remarks to shareholders James J. Warren, president of the company, covered the year's operations. Following are some highlights:

Reason for Dividend

Having regard to the large reserves—all the accumulation of past earnings—your directors felt the declaration of this dividend, payable in shares, would be appreciated by shareholders, all of whom would thereby have an increased number of shares and some of whom, in the absence of the usual cash disbursement, might find it convenient to dispose of the dividend shares and still retain their original holdings.

After providing for the operating deficit, the depletion and depreciation write-offs and the dividend (shares distributed being charged at par) unearmarked reserves, including the profit and loss account, still stand at $18,661,345.

Write Down Inventories

Adjustments in inventories were made, so that stocks are carried at cost or market, whichever be lower. This involved quite a considerable writing down.

Lower Metal Prices

Reduced earnings are attributable solely to still lower metal prices prevailing during the year. Costs were materially reduced, though production was abnormally low.

Owing to almost continuous variations in the value of the pound sterling, the American dollar and the Canadian dollar, it is impossible to make acurate comparisons with other years, based on the year's average prices of metals in either sterling or dollars.

Details of Production

The year's production was as follows:

Lead	253,237,783 lbs.
Copper	767,026 lbs.
Gold	33,346 ozs.
Bismuth	57 lbs.
Zinc	130,567,785 lbs.
Cadmium	65,425 lbs.
Silver	5,522,366 ozs.

Comparative figures for 1931 are:

Lead	277,685,229 lbs.
Copper	1,215,433 lbs.
Gold	24,968 ozs.
Bismuth	93,115 lbs.
Zinc	202,247,767 lbs.
Cadmium	323,139 lbs.
Silver	6,572,119 ozs.

Fertilizer Developments

There was considerable improvement in the operation of the phosphate units of the fertilizer plant. Excellent results have been and are being obtained from the operation of the other units.

Over 6,000 tons of triple superphosphate and ammonium phosphate were sold in the Prairie Provinces and British Columbia for the 1932 seeding. Except where there was inadequate moisture the results were satisfactory and in many cases extraordinarily so.

B. C. Moratorium Excludes Interest

From Our Own Correspondent

VANCOUVER.—The provincial legislature will extend the present moratorium on principal only for one year, and in addition the courts will be empowered in cases of special merit to extend from six to nine months the time in which an owner may redeem his property after foreclosure has been ordered. In other words, the government does not contemplate drastic widening of the terms of the moratorium.

The government has decided against a moratorium on interest, although there was considerable clamor for this. It is informed that there have been few foreclosures in B. C. and that it has no authority to interfere with the interests of investors in this manner.

"TEXTILES" CLOSES DIFFICULT PERIOD; EARNINGS LOWER

Overdue Spring Orders Now Making Belated Appearance

From Our Own Correspondent

MONTREAL—Dominion Textile closed one of its most difficult fiscal years on March 31 last. Lessened demand and depressed selling prices have contributed to restricted plant activity and reduced profits; earnings are expected to fall below those of the previous period when common share earnings were $4.44.

Usual spring volume was lacking in the last quarter of the fiscal year and since January plants have been operating at a rate some 25 per cent below that experienced in the same period in 1932. Demand from the trade is beginning to be shown and unfilled orders are somewhat more promising; these, however, will not find reflection in earnings for the year just closed.

Plants at 65 Per Cent

Plants are presently operating around 65 per cent of capacity; naturally those in touch with the situation are unwilling to make any predictions regarding the outlook for the current year.

Operations of Dominion Textile Co. in the year ended March 31, 1932, resulted in a loss of $152,286 after all charges including payment of dividends at the rate of $5 a share on the common. The stock has now been placed on a $4 basis, a step which reflected, in part, omission of common dividends by Montreal Cottons, in which the company has a substantial stake. It has been estimated that income from Montreal Cottons common shares was equal to about 35 or 40 cents a share on the common of Dominion Textile Co.

WEST KOOTENAY SHARE EARNINGS $2.70 ON COMMON

Dividend of 10 Per Cent Paid on Junior Stock — Earnings Lower

From Our Own Correspondent

MONTREAL.—Gross revenue of West Kootenay Power and Light Co., subsidiary of Consolidated Mining and Smelting Co. of Canada, was $1,892,531 in 1932 compared with $2,293,078 in the previous year. Expenses were slightly reduced and net earnings were $1,470,465 down from $1,845,972 in 1931.

After all charges net profit was $199,875 which was equal, after preferred dividends of $35,000, to $2.70 a share on the common stock. A disbursement of 10 per cent was made on the common, compared with a payment of 12 per cent in the previous year when profits were equal to $7.74 a share. After all disbursements there was deficit of $446,415 last year.

Profit and Loss Account

Following is a comparison of profit and loss for the past two years:

	1932 $	1931 $
Gross revenue	1,892,531	2,293,078
Oper. earnings	1,470,465	1,845,972
Oper. earnings	1,470,465	1,845,972
Less: Bond interest	325,850	277,912
Prem. on N. Y.	38,201	......
Bond discount	33,942	35,173
Depreciation	789,408	786,197
Bad debts	352	13,685
Income tax	82,927	122,829
Prem. bonds red.	......	137,091
Net profit	199,785	473,085
Less: Pref. divds.	35,000	35,000
Common divds.	611,200	733,440
Surplus for year	*446,415	*295,355
Add: Prev. surplus	‡2,988,985	‡3,322,941
Bal. forward	2,542,570	3,027,586

*Deficit. ‡Adjusted.

Working Capital

	1932 $	1931 $
Current assets	656,168	1,094,294
Current liabs.	268,757	585,180
Working capital	387,411	509,114

Receivables Show Drop

Assets reveal a drop in accounts receivable from the parent company totalling $584,079 compared with $991,862. This is accounted for by the continued restricted output of Smelters both in zinc and lead resulting in lessened demand for power. Revenue producing load of West Kootenay was 88,756 horsepower, a decrease of 1,799 horsepower from the preceding year.

Property account reflects completion of the Corra Linn plant which appears for the first time at cost of $4,383,342 and new construction in progress now totals $683,196 against $4,799,795 in the preceding year. Total fixed assets, less depreciation, are $14,422,240. Investments are unchanged at $53,715 and cash with trustee for bond redemption has been reduced from $130,098 to $1,520. Stores and materials are higher by $109,000 at $374,471.

In liabilities all of prior bond issues, with the exception of $1,500 outstanding, have been redeemed. This figure compares with $98,163 at the end of 1931.

BELDING LOWERS COMMON DIVIDEND TO $4 PAYMENT

Silk Company Formerly Paid $7 a Share Annually

From Our Own Correspondent

MONTREAL.—With current declaration of a quarterly dividend of $1 a share Belding-Corticelli Ltd. has placed its common stock on an annual dividend basis of $4 compared with a previous rate of $7. Action reflects continued competition in the silk industry which has become over-expanded in recent years. Selling prices have been shaved. Some of the smaller operators are facing financial difficulties, while others have passed out of the picture altogether.

This is the first time Belding has reduced its common dividend since payments were initiated in 1923. The $7 rate was inaugurated in 1928, an increase of $1 over the previous disbursements. Senior to the common there is $865,300 of 7 per cent preferred and $137,046 of 5 per cent first mortgage bonds due 1836.

Within 1932 Earnings

Reduction of common dividends to their present basis places them within earning power demonstrated in the year ended November 30, 1932, when profits were equal to $5.79 a share. In the previous year common share earnings were $1.79 and surplus had been reduced to $470,487 at the end of last year. Already one quarterly payment of $1.75 has been made and if the new rate is maintained total disbursements for the current year will be $4.75 a share.

DIVIDEND NOTICES

THE
TECK-HUGHES GOLD MINES LIMITED
(No Personal Liability)
KIRKLAND LAKE, ONT., CANADA

The Directors of this Company have declared a dividend of 15c per share, payable on May 1, 1933, to shareholders of record at the close of business April 13, 1933.

K. P. EMMONS,
Treasurer.

DIVIDEND NUMBER 239

Hollinger Consolidated Gold Mines, Limited

A regular Dividend of 1% has been declared on the Capital Stock of the Company, payable on the 22nd day of April, 1933, on which date cheques will be mailed to shareholders of record at the close of business on the 7th day of April, 1933.

DATED the 31st day of March, 1933.

I. McIVOR,
Assistant-Treasurer.

Belding Corticelli Limited

DIVIDEND No. 28

Notice is hereby given that on the Common Stock of this Company, the Directors have declared a Quarterly Dividend of 1%, payable on the 1st day of May to Shareholders of record at the close of business the 15th day of April, 1933.

By Order of the Board,

D. F. POLLOCK,
Secretary.

POWER CORPORATION OF CANADA LIMITED

Second Preferred Dividend No. 22

NOTICE is hereby given that a dividend of one and one-half per cent (75 cents per share) being at the rate of 6% per annum, has been declared on the 6% Non-Cumulative Participating Preferred Stock of Power Corporation of Canada, Limited, for the quarter ending March 31st, 1933, payable April 15th, 1933, to shareholders of record at the close of business March 31st, 1933.

By order of the Board,

L. C. HASKELL, Secretary.
Montreal, March 24th, 1933.

Canadian Dredge & Dock Co. Limited

PREFERRED DIVIDEND No. 21

Notice is hereby given that the quarterly dividend of one and three-quarters per cent (1¾%), being at the rate of 7% per annum, has been declared on the outstanding 7% Cumulative Sinking Fund Convertible Preferred Shares of Canadian Dredge & Dock Co. Limited, for the quarter ending April 30th, 1933, payable May 1st, 1933, to Shareholders of record at the close of business on April 13th, 1933.

By Order of the Board.

T. C. LUKE
Secretary.

Midland, Ontario, April 5th, 1933.

Montreal Tramways Company

ANNUAL GENERAL MEETING

NOTICE is hereby given that in accordance with the by-laws of the Company, the Annual General Meeting of the Shareholders of the MONTREAL TRAMWAYS COMPANY will be held at the Company's Offices, Tramways Building, 159 Craig Street West, Montreal, at 12 o'clock noon, on Monday the 20th day of March, 1933.

This meeting will be convened as called and immediately adjourned until Monday, the 24th day of April, 1933, at the same time and place.

The Transfer Books will be closed from the 1st day of March, 1933, to the 20th day of March, 1933, both dates inclusive.

By order of the Board.

PATRICK DUBEE,
Secretary-Treasurer.

Monday, January 16th, 1933.

Canadian Bronze Company Limited

Dividend Notice

THE quarterly Dividend of 1¼% on the PREFERRED STOCK of the CANADIAN BRONZE COMPANY, LIMITED, has been declared payable the 1st day of May, 1933, to Stockholders of record as of the 20th day of April, 1933.

Also a quarterly Dividend of Fifteen (15c) Cents per Share has been declared on the present outstanding COMMON STOCK of CANADIAN BRONZE COMPANY, LIMITED, for the three months ending April 30th, 1933. Payable the 1st day of May, 1933, to Stockholders of record as of the 20th day of April, 1933.

By Order of the Board,

W. C. PAQUETTE,
Secretary.

Montreal, P.Q.
March 31st, 1933.

Attack on Insiders By President Roosevelt

Federal Securities Act Calls for Full Publicity of New Securities Sold in Interstate Commerce —Dominion Supervision Also Badly Needed, Says Col. Drew

No Canadian investor can watch unmoved President Roosevelt's onslaught against the insider in United States finance. Conscious that similar provisions and supervision are badly needed in Canada, he cannot but have the strongest interest in the Federal Securities Act submitted to Congress on March 30 and providing that its enactment will be made effective by July 1.

Neither Ethical Nor Honest

In his special message to the United States Congress President Roosevelt pointed out succinctly the evil he was aiming at in these words:

> "In spite of many state statutes, the public in the past has sustained severe losses through practices neither ethical nor honest on the part of many persons and corporations selling securities."

"Let Seller Also Beware"

In Canada as in the United States the ethics of the horse trade has governed security transactions. "Let the buyer beware" was too often the seller's maxim while the buyer thought the seller's attitude was, "We are working in your interest." President Roosevelt, in his own expressive phrase, adds another doctrine to govern in future: "Let the seller also beware." His new act put the whole burden of telling the truth on the seller with the object of giving an impetus to honest dealing in securities and of restoring public confidence. He is seeking in this and other acts to give expression to the truth forgotten by too many that those who manage banks, corporations and other agencies handling or using other people's money are trustees acting for others. He proposes a series of legislative enactments to correct unethical and unsafe practices on the part of officers and directors of banks and other corporations.

By providing that every issue of new securities to be sold in interstate commerce "shall be accompanied by full publicity and information, and that no essentially important element attending the issue shall be concealed from the buying public," the new act is bound to prevent much skulduggery. It will not prevent losses but if it prevents people buying under a misapprehension that will be a great gain.

Wants Federal Control Here

All the important and reputable stock exchanges of Canada and the United States have repeatedly put themselves on record as desiring just such complete information as is now being made obligatory in the United States. They and their members in the United States will themselves come under its provisions. Lt.-Col. George A. Drew, chairman of the Ontario Securities Commission, on March 27 went on record before the Montreal Canadian Club as stating that it is highly desirable in Canada as well to have Federal supervision of security issues and that a Parliamentary committee or a Royal Commission could do much good by studying the matter of getting central control of flotations in Canada. The provinces should be willing to part with some of their jurisdiction to get such a desirable body, he said. Present jurisdiction divided among the nine provinces left much to be desired as it was difficult to get all to agree on necessary restrictions.

Lt.-Col. Drew asserted that men with great names in Canadian finance had abused the public confidence, and had used positions of authority to "invent values, to organize companies and sell them to themselves and then sell them to the public." Long established security houses had taken double profits by organizing their own companies and selling securities to another company also owned by them. He thought that a necessary preliminary to such federal control was a study of flotations made in Canada in recent years.

Insiders Should Not Exist

The Wall Street Journal on March 30, in a front-page editorial on President Roosevelt's new act, made remarks which are directly applicable to Canada as to the conditions in the United States. It said in part:

> "Publicity in respect to corporation earnings, volume of operation, assets and liabilities has been one of the objectives toward which the governors of the New York Stock Exchange have been steadily working for many years. It is the one thing essential to the protection of the general run of investors against everything but their own recklessness, from which they obviously cannot be protected. With sufficiently rigid requirements as to the position of a given corporation the 'insiders' thereof cannot be in a position to trade in and out of its securities to the prejudice of other stockholders.
>
> "There is no good reason why 'insiders' in the stock market sense should exist at all. Officers and directors of any company will always be the first to have exact knowledge of operating results and of changes or tendencies in its affairs, but their opportunity to make use of such knowledge to their own advantage can and should be reduced to a negligible minimum by three general classes of publicity provisions, to wit:
>
> "1. Quarterly reports of gross earnings, operating expenses, taxes and resulting net earnings.
>
> "2. Immediate public statement of any decision of directors to increase or decrease the company's outstanding stocks or capital obligations.
>
> "3. Public statement of the share holdings of general officers and directors, either individually or as a group, at appropriate short intervals, probably not less often than quarterly.
>
> "4. Continuing publicity for all types of management compensation including bonuses and options of all kinds, whether additional to or in lieu of flat salary.

Quarterly Reports Desirable

> "As to the propriety of the first class of public information there can be no valid objection. The argument against such publicity frequently heard in the past, that it places the company making too frequent earnings reports at a competitive disadvantage in the trade, is either stupid or insincere. Every company's competitors have ways of informing themselves as to its volume of activity and its approximate operating costs. Business men by the hundreds are moving heaven and earth to obtain amendments of the Sherman law to permit the freest exchange of just such information among competitors. A corporation's own stockholders are entitled to it by an even better right.
>
> "And the right of investors in a corporation to immediate knowledge of intended changes in its capital structure is likewise unquestionable. The idea that they may also ask how many of each class of its shares each officer and director holds from time to time will meet some objection on the ground that it is an unwarranted invasion of the individual's right of privacy. The answer to that is that this particular right of privacy has little value to any corporation officer who has no desire to play the market on the basis of his inside information and ought not to be accorded to any who has such a desire. In a word, there should be no insiders in the stock market sense in any corporation whose securities are listed on a public market. Any man who shrinks from the revelation of his personal affairs here proposed should retire to a really private life.
>
> "We have all been talking for months past about the necessity of restoring confidence in this, that and the other. Hardly anywhere is a well-founded trust on the part of the public in those who conduct a business more essential than in the vital processes of mobilizing capital resources and directing their employment."

Information First

The object of the Federal Securities Act is simply stated as being "to provide for the furnishing of information and the supervision of traffic in investment securities in interstate commerce." Every type of security, except government securities of the United States or any one of its insular possessions or securities issued by corporations for religious, charitable or benevolent purposes, comes under the scope of the new act.

The first provision is that before any traffic between states can occur, before there can be any use of the United States mails or any other means of transportation or communication to offer securities in interstate commerce, a statement giving full details must be registered with the Federal Trade Commission.

A registration statement is also asked from the issuers of foreign securities and must be signed by all the principal officers of the issuing company.

A full record must be given in the statements relating to domestic securities, somewhat similar to the statutory information required in some of the Dominion provinces and in some of the states of the United States now. Such requirements of the Federal Securities Act now proposed by President Roosevelt are, however, stated more clearly, more definitely and probably will be more effective because they fill in the interstices which have hitherto been left vacant in providing for supervision of interstate traffic. It will be much more drastic than anything existing in the way of federal machinery in Canada.

Issuer's Interest Shown

In this statement full names and addresses of promoters, directors, trustees and officers of the issuing corporation, association or trust or partner or person are required. The purposes of incorporation have to be stated and the general character of the business actually to be transacted by the issuer.

Usual details with regard to capitalization, including the various type of securities issued and authorized, the amounts paid up, description of the respective voting rights, preferences, rights to dividends, profits or capital of each class with respect to each other class, must be stated. The amount of the funded debt and a description of the date, maturity and character of such debt are required. A balance sheet showing a detailed list of assets and liabilities not more than 90 days old, and a statement of the issuer's income, expenses and fixed charges during the preceding fiscal year, all have to be included.

The plan of the issuer for disposing of the securities must be stated, the price at which they are offered to the public and the net amount returnable to capital investment. If it is a syndicate, the names of the syndicate underwriting the securities offered for registration must be given. A copy of the security offered or to be offered and a copy of any circular, prospectus, advertisement or other description of such securities has to be given.

Canadians Must Comply

The purpose for which the securities to be offered are issued, the amount of capital and other securities, commission and bonuses, a detailed statement showing the items of cost, property, services, patents, goodwill and any other consideration will be asked for. The amount of capital stock set aside and disposed of for services to promoters, if any, and a statement of all stock issued from time to time for services to promoters must be given. A certified copy of the company's articles of incorporation with all amendments of existing by-laws, and a copy of all instruments by which the trust is created or declared and in which it is accepted and acknowledged must accompany the statement. All documents must be verified by oath.

In the case of foreign government securities, on which there have been such large losses in the United States, and to a certain extent in Canada as well, the statement must give the name of the borrowing government, the purpose or object of the loan, the date and terms of the underwriting agreement, the names of the members of the underwriting syndicate, including all bonuses and commissions paid or to be paid by the foreign borrowing government and all payments or charges paid or to be paid for the privilege of underwriting the loan or for any other purpose, must be given. This provision, as applying to the Dominion Government, Provincial Governments and any Municipal Government in Canada which asks New York for a loan in the future, promises in the future to engage the interest of Canadians as well as Americans.

The security pledged or to be pledged for the loan must be stated and the general financial condition of the borrowing government or subdivision thereof. A statement, accompanying the information with regard to a security issued by a foreign government or political subdivision, must state the general financial condition of the borrowing government and whether or not the borrower has ever defaulted on the principal or interest of any other securities sold in United States or other foreign country, and if so, the date, amount and circumstances. The method of distributing the securities must also be stated and the proposed price at which security is to be offered to the public in the United States and elsewhere. The statement must show the cost to the person or corporation, underwriting or negotiating the loan and the net amount to be returned to the borrowing government or subdivision thereof from the sale of such securities.

May Revoke Unsound Issues

Power is given under this act to revoke the registration of unsound issues. The commission may revoke by an order to that effect whenever it appears that the provisions of the act have been violated, that the issuers appear to have been, or are engaged or are about to engage in fraudulent transactions or that the issuers in any other way are dishonest or have made any fraudulent representations in any prospectus or in any circular or other literature that has been distributed concerning such issuers or persons or securities registered. Revocations may also occur if found that the issuer is not conducting its or their business in accordance with law or if the affairs are in an unsound or insolvent condition. If the commission believes that the enterprise or business of the issuer or person, or the security, is not based upon sound principles it may be revoked in the interests of public welfare.

Whenever the Federal Trade Commission desires it, it may ask the balance sheet or income statement or both to be made more specific and brought down to the latest practicable date. If information or examination is refused the refusal will be considered proper ground for revocation of registration.

At any time, the commission if it deems it necessary, may enter an order requiring an immediate showing of continuance of the right to sell securities. Within thirty days the issuer or other person is entitled to a public hearing and records will be kept of all hearings aand proceedings before the commission.

Review Provided For

There is provision that a review of any order made by the commission revoking the registration may be had before the Court of Appeals for the District of Columbia within thirty days after the entry of the order. Commencement of such proceedings would operate as a stay of the commission's orders.

Advertising Must Tell Truth

The Act makes it unlawful to carry, transmit or cause to be carried or transmitted in interstate commerce, by use of the United States mails or by any means any written, printed or graphic communication or document or even any spoken communication announcing, offering or advertising for sale any securities subject to the provision of this act, unless such communication or document contains the following information concerning the security so offered: the name of the issuer and the names of the underwriting syndicate, if any, amount of capitalization authorized and paid-up, location of principal place of business and place of incorporation, if incorporated.

A brief description of the security offered must also be included as well as all pertinent information with reference to dividends or fixed returns and voting power and relative position of oustanding securities having prior rights, as well as the amount of capital stock and other securities, commissions and bonuses.

The price at which it is offered to the public and the net amount to be returned to capital investment, as well as the maximum amount of commission or other form of remuneration to be paid in cash or otherwise, directly or indirectly, in connection with the sale or offering for sale of such securities must be shown along with the names of officers, directors and trustees of the issuer or of the owner of the property constituting the basis of the issue. There has to be a statement showing the issuer's assets and liabilities and profits and loss during the year preceding the offering, and also a statement to the effect that additional information may be secured from the Federal Trade Commission at Washington, District of Columbia.

Penalties Heavy

Different to what is permitted in Canada, and in most states of the United States, there is provision in this act that the information referred to, whether written, printed or otherwise graphically expressed, shall be placed in a conspicuous part of all communications, documents or other literature. All these written, printed or other graphic communications or documents are to be filed also with the Federal Trade Commission.

With the delivery of security or securities to the purchaser a statement containing this information must also be delivered. It is also stated that any person receiving securities specified in such statements and offered to the public shall be presumed to rely upon the representations set forth in the said statement. If such statement is false in any material respect, any persons acquiring such securities either from the original issuer or from any other person shall have the right to rescind the transaction and to obtain the return, either at law or equity, of all consideration given either from the vendor or persons signing such statement, jointly and severally if knowing of its falsity. The amount so recoverable from the persons signing the statement shall not exceed the price paid for such securities.

Sales Artifices Barred

The acquirer of securities has the right to obtain damages for any and all losses sustained as a consequence of such falsity, from any one or more of the signers of the statement in which such falsity occurs.

Sales of securities for owner's accounts are exempt as well as government securities and issues for charity. Isolated transactions are not intended to be covered but only those which occur in the course of continuous trade by persons who engage in the purchase and sale of securities as a business. Exchanges of one security for another pursuant to the right of conversion are also exempted.

Employment of artifices to defraud is barred, and devices, schemes or artifices to defraud or obtain money or property by means of false pretences, representations or promises are forbidden and any evidence will be transmitted to the Attorney-General by the commission.

The commission is empowered to amend its regulations and can subpoena witnesses and examine them under oath and acquire possession of any books and papers relevant or material to the enquiry.

A conviction of wilful violation of any of the provisions of the Act or of the rules and regulations promulgated by the commission, may result in fines of not more than $5,000 or imprisonment not more than five years, or both; and any officer, director or agent or any corporation knowingly participating in the violation, will be punished.

Canada Permanent

Do you consider the Canada Permanent Mortgage Corp. as safe an institution as any of the banks, having in mind a savings deposit account?

Canada Permanent Mortgage Corporation has 50 years of progressive increase in assets and income to its credit. All mortgage lending corporations are passing through a strenuous time at present, but the last financial statement of Canada Permanent indicates that it is facing the situation with a very strong financial set-up and that there would have to be a very much more serious breakdown of economic machinery in Canada to endanger savings deposits. These are exceedingly well protected.

Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Abitibi Protective Committee

I hold one $1,000, 1953, first mortgage bond in the Abitibi Power Corp., the coupons of which are not being honored. It has been suggested that I send this bond into the Bondholders' Syndicate at Montreal so that my interests may be protected. Would you please tell me what steps I should take in this matter?

Are not these bonds a first call on the holdings of this corporation and therefore should be able to look after themselves? I would like your advice on this matter so that I may be protected.

Unless you wanted to dispose of your bonds immediately and in view of the fact that the bondholders did not themselves meet and form a protective committee, it would appear that your only practical course is to put in your first mortgage bond with the bondholders' protective committee. The protective committee for bondholders is made up of prominent and reputable individuals in Canada and the United States who have, themselves, a considerable interest in the bonds. Some of these people have also a very strong interest in the equity stocks below the bonds and to that extent it is not likely that any measure would be taken which would destroy the equity stocks unless continued inadequacy of earnings eventually makes such a course desirable. The bondholders' protective committee has represented that its hand is strengthened in any representations which it may make for reorganization of the company by deposit.

You are aware of the demoralized condition of the newsprint industry as a whole and that there have been various plans for mergers of the chief units. Huge reorganization plans have already been effected for large parts of the industry, but there is no let up as yet in the business situation which is curtailing production of individual units.

So long as the company survives without reorganization it would not matter whether you deposited your bonds or not. What you gain by depositing is that there is a strong central body acting on your behalf as well as on behalf of other bondholders. They have promised that in case of a reorganization plan being offered those who so desire can withdraw their bonds from deposit if the plan does not suit them.

At the time of issue of these bonds it was provided that bondholders could form a protective committee in case of default. There has been objection to the present protective committee on the ground that it works under New York laws and has excessive powers. Apparently, however, no further action was taken.

Aside altogether from the undoubted ability of the present protective committee The Financial Post feels that the proper course would have been to call together the bondholders so that the latter could organize their own committee and their own protective measures. They might not have done it so well but they could have satisfied themselves as to many points past, present or future, bearing on the value of their bonds.

City Gas

I have received an offer to exchange my shares of Consolidated Utility Investment Corp. for those of City Gas and Electric Corp. which operates the gas system in Three Rivers. Before I make the exchange I would like your opinion of the proposal.

Our understanding is that the investment portfolio of Consolidated Public Utility Investment Co., Ltd., has depreciated substantially in common with experience of other investment trusts and that the break-up value of the stock is but small. We believe, however, that you can obtain this break-up value from the sponsors if you so desire it. On the other hand, an exchange into shares of City Gas and Electric Corp. might be considered if you are prepared to wait a period of years. City Gas has widened its scope of operations substantially in recent months through acquisition of Yamaska Power Co. and Consolidated Utilities, Ltd. We are informed that both these properties have been acquired on favorable terms, while further expansion is contemplated. Earning power of City Gas is limited at present but our understanding is that the company is making progress and that various economies will be effected through consolidation of properties recently acquired. Over 90 per cent of the stock of Consolidated Public Utility Investment Co. has been exchanged, indicating that shareholders prefer to hold the securities of an operating company rather than wait for an improvement in stock market conditions and a subsequent betterment in the position of Consolidated Public Utility Investment Co.

Right to Information

The writer is a small holder of Consolidated Investment Trust bonds.

I believe some time ago The Post mentioned this default but with very little comment, however; meanwhile, very much interest was aroused and I confess I was much disappointed that The Post made no mention whatever of this important matter. Upon getting recent issues, however, I was glad to see considerable discussion.

It appears that the Trust management were very adverse to handing out any information about present portfolio or changes made last year in same. This seems ridiculous on the face of it as surely the people who invest the money have a right to certain information. I had a letter from Messrs. Wood Gundy & Co. which stated that they did not care to send out the portfolio; however, another party had a copy of same and the bonds were very few in number and very largely South American. Because of rumors on the street we believe that the matter of securities bought and sold during the last 12 months should be made public.

Investors generally look to The Financial Post for leadership and as this is a matter of public interest, we look to you to take hold vigorously and not "soft pedal," that is, if the paper is to retain its leadership and high public esteem.

The Financial Post understands that the portfolio is open for inspection at the office of the company in Montreal, or Wood, Gundy and Co.'s office in Toronto. We are informed that a representative of each of these companies is ready to answer questions of any bondholder. As to The Financial Post giving leadership in such a matter, it strikes us that it has done more than any other financial newspaper. The Financial Post first published the fact that the value of securities behind the bonds had fallen below the guaranteed level and it is ready always to publish any information that can be verified concerning this or any other company in which the public has an interest. We have had columns about this company and have made this paper an open forum for investors in it to voice their legitimate complaints. The Post is and always will be the friend of the investor.

Some of the principal bondholders have accepted the plan and therefore have apparently been satisfied as to arrangements for future management. It strikes us that the question of future management is the all-important one for bondholders. At the same time it may be said for present management that the company has been operating in a very difficult period for investment trusts, holding securities of the kind shown by Consolidated Investment Corporation. Any attempt at liquidation—and we do not know that attempts were not made—would have produced and probably did produce acceleration of the downward trend. There is nothing to do but wait to see if the international situation gets better and troubles quiet down in South America. Difficulties of exchange are the principal ones and it may take some years to fix these up.

The Financial Post looked with considerable disquiet from the beginning on the celerity with which investment bankers in Canada and the United States formed large investment trusts. It really was an invitation to the general public in many cases to participate with the bankers in underwritings. Purchasers of bonds expected that the bankers would turn over stocks and bonds they had for sale but they also believed that their general high reputation was a guarantee that they would protect clients who bought Consolidated Investment Trust stocks. The Financial Post feels, however, that a time like this shows plainly the inadvisability of the same organization being merchants of securities and managers of a buying investment trust. When various items in a portfolio go "sour" suspicions will inevitably arise that the trust was used as a way of escape from overloaded shelves. Clients will suspect it because it "could occur." The mere fact of the depreciating securities being in the trust will be taken by many as proof that the investment trust has been used as a dumping ground. When that is shown not to be true he will still fear that influence will have been used to prevent the manager of the trust selling off weakening securities in competition with the banker. It is obviously wise market practice not to have both sell together, but who is to determine precedence or when one shall sell and the other not?

Bonds and preferred stock of Consolidated Investment Corp., sold like wild fire when offered because the general public knew that Wood, Gundy & Co. had been highly successful in their underwritings. This looked like a chance to participate in a very good thing.

Since then the underwriting business has fallen from the proportions of a spring flood to a mere dribble on a dried-up stream bed. All that bondholders are concerned in is to satisfy themselves whether or not on the whole the best that could be done was done under the circumstances. On this page are given suggestions from an accountant writing to The Financial Post.

It is stated that full information is being given to all registered bondholders but that bearer bonds are not known and that dissatisfaction is most apparent among these because they have not had the advantage of personal explanations.

On the point of investment banking control of an investment trust, investors must not forget that in this instance the list of directors was published in the offering circular and it was dominated by Wood, Gundy partners. And the purposes of the trust, as indicated, provided for underwriting of issues and other purely speculative operations.

The trouble goes back to the beginning. This company was never an investment trust in the true sense of the term and should not have been presented as such. The company was bound to rise and fall as Wood, Gundy & Co. rose and fell, the interests of both concerns being so interlocked.

Consolidated Investment

The following letter has been received from a subscriber of The Financial Post:

As I am a holder of some Consolidated Investment Corp. 4½ per cent bonds I have read with real interest the incisive letter D. C. C. with regard to the proposed reorganization plans appearing in the March 11 issue of Financial Post.

Before proceeding let me say that I have made quite a study of general management investment trusts especially during the past four years. Since the beginning of 1933 have gone through the 1932 financial reports of the following companies and would suggest you get reports from them and make year-end comparisons for the past four years. Some scanty crumbs of comfort at least may be derived therefrom:

1. Adams Express Co.
2. Capital Administration Co.
3. Chartered Investors.
4. Chicago Corporation.
5. Amer. Cities Power & Light Corp.
6. Amer. Equities Co.
7. Amer-European Sec. Co.
8. Atlas Corporation.
9. Blue Ridge Corp.
10. General American Investors.
11. General Public Service Corp.
12. Goldman Sachs Corp.
13. Investment Corp. of America.
14. Lehman Corp.
15. Massachusetts Investors Trust.
16. Amer. International Corp.
17. Mayflower Associates.
18. Mutual Management Co.
19. Niagara Share Corp.
20. Prudential Investors.
21. Public Utility Corp.
22. Rwy. & Light Securities Co.
23. Tricontinental Corp.
24. United Founders Corp.
25. Utility Equities.

On Saturday last I took advantage of the opportunity afforded me of examining the 1932 financial report, 1932 profit and loss and 1932 itemized portfolio holdings of the company, all certified to by Price, Waterhouse & Co.

Sees No Defensive Switching

I paid only scant attention to the first two reports but was intensely interested in the third, which I spent about 45 minutes in examining. The shrinkage in present market values of the securities, individually and collectively, from cost values is remarkable. I am not in a position to say how it compares with the shrinkage in the Dow-Jones averages as I did not take time to figure this out. As I remember the great majority of holdings is in common stocks bought and held at high prices. Quite a percentage consists of Argentine, Uruguayian, Colombian and some other South American bonds. I am not sure, but I think, some Peru bonds are included. On most of the issues interest is being paid with difficulty, but market values are down at least 70 per cent. My short survey inclines me to feel that practically no attempt was made during the entire deflationary period to switch advantageously from vulnerable situations into defensive situations where market values and dividend income could be more assured. I do not know why. Perhaps the restrictions of the bond issue had something to do with it. Comparing this company's operations with a number of others in my opinion the evidence of anything approaching good management is not disclosed. Things were permitted to take their course unhindered and unguided. The future was a deep, dark, impenetrable, insoluble mystery.

Liquidation Now Inadvisable

I certainly object to "the tangled phraseology of the plan of reorganization." It admits of innumerable interpretations and many of them adverse to the interests of the proposed income bondholders. As I understand the situation the present bonds are held in such blocks, by certain interests, that have agreed to the proposed plan that I am afraid the widely scattered, small and unrepresented bondholder will have very little influence.

Perhaps you will agree that the world is now in the very mire of the valley of tribulation following some extremely severe deflationary years. Bonds, equities, commodities are in contempt. There has been a wild, panic-driven flight from them to gold. But current events in the U. S., England and France appear to indicate an early (and perhaps quick)

(Continued on page 19)

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Carry them on your next trip and be assured of travel comfort.
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and Municipal Bonds
DOMINION SECURITIES CORPORATION LIMITED
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PROVIDE for your future—
Build a Savings Account
CENTRAL CANADA LOAN AND SAVINGS COMPANY
KING AND VICTORIA STS., TORONTO
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ESTABLISHED 1884

INDUSTRIAL ACCEPTANCE CORPORATION Limited
Commercial and Industrial Bankers
Head Office—Windsor, Ontario

AN INVESTMENT returning you $100.00 for investing $78.12 for 5 years
FOUNDED 1855
Canada Permanent accumulative bonds with interest at 5% per annum compounded half-yearly offer an attractive opportunity for the safe and remunerative investment of sums large or small.
CANADA PERMANENT Mortgage Corporation
320 Bay Street, Toronto
Assets exceed $70,000,000

DB COMPANY LIMITED
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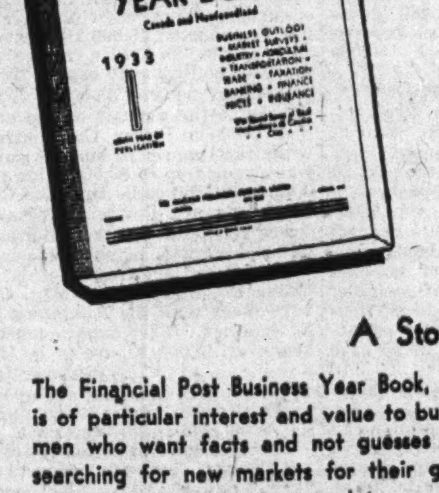
What Makes This Book So Fascinating That it Sells All Over the World?



In The Financial Post Business Year Book, new 1933 edition, facts and figures on Canadian business activities are so intelligently chosen, analyzed and grouped as to make reference to this book fascinating not only to Canadian business men but also to economists, statisticians, financiers and government officials in other countries throughout the world.

A Storehouse of Facts

The Financial Post Business Year Book, 1933, is of particular interest and value to business men who want facts and not guesses when searching for new markets for their goods, and for accurate and up-to-date economic data about Canadian business activities.

It contains a clear, simple, well-illustrated and thoroughly indexed record of Canada's economic progress during the preceding twelve months. It covers every phase. It is planned for business executives, investors, educationists and professional people.

A NEW FEATURE—
A special survey of Retail Merchandising in 65 cities

USE THIS COUPON

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Please send me postpaid a copy of The Financial Post Business Year Book, 1933. Attached is my $2.00 in payment.

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315

Footnotes to Ottawa

An occasional department of comment on the background of governmental activities in the nation's capital

By Our Ottawa Correspondent.

Parliament Turns Again to Beauharnois

OTTAWA.—Members of Parliament have suddenly become "Beauharnois conscious" and the result may be to plunge this power development, already sadly be-devilled by politics, into a new controversy.

Some weeks ago The Financial Post "spilled" the story that under the reorganization of Beauharnois proposed by the bondholders' protective committee, ultimate control of the giant power project will pass to the Holt group. Members of the House of Commons appear to have grasped the significance of these impending developments only in the past few days. As a result, the Progressive members who launched the first Parliamentary attack on Beauharnois, are regarded as certain to launch a second one. The second attack will have the clear-cut objective of persuading the Government to forbid the marriage banns between Beauharnois and Montreal Light, Heat and Power, and to take such steps as may be necessary to convert Beauharnois into a publicly-owned and operated utility company.

It goes without saying that the Bennett Government will refuse to meddle in provincial power affairs, but having meddled already with the management and financing of Beauharnois, there will be plenty of opportunity for the creation of a political issue of some magnitude in the public ownership belts of the country.

* * *

BEHIND these rumblings in the House of Commons it is evident there lies a sharp conflict between various financial groups and individuals who are interested in the company. From the very outset, Beauharnois has been cursed by internecine fueds between rival groups interested in the development. These groups fight among themselves until one party clearly demonstrates its ability to win. Then the groups foredoomed to defeat run to Ottawa to disseminate information in quarters whence political uprisings may easily be produced.

The original attacks upon Beauharnois, while coming from Progressive members whose electoral habitat is far removed from Quebec, was almost certainly the result of information brought to Ottawa by disgruntled financiers. It is a shrewd guess that they played the Beauharnois game for as high personal stakes as anybody, and only turned "King's evidence," as it were, when it became clear that the more glittering prizes were not for them.

And so today, Beauharnois is once again the cockpit in which rival individuals and groups are battling for control or, at least, a place in the power sun. While the fight is not over, may, indeed, only have nicely started, some of the contestants are finding their way around the corridors of Parliament. It may be presumed that they are men who, regardless of the fortunes that may await other contenders, are satisfied that they are out of the fight.

* * *

MR. BENNETT'S brief allusion to Beauharnois last week leaves little doubt as to the Government's policy. The Government has guaranteed the banks with respect to the $15,500,000 required to carry the development into production. The bondholders' protective committee has now recommended, or is about to do so, a plan which will result in Beauharnois getting sufficient money to pay off the banks, release the Government from its guarantee and complete the power plant. This being so, the Government has no intention of trying to dictate to the bondholders what shall be done with Beauharnois; who shall own it; how it shall be operated. The Government will recover its guarantee, file away its title deed to the Beauharnois canal, and quietly fade out of the picture.

Nor will Ottawa unduly oppose any request which may come from Quebec for the right to export power. The Taschereau Government has recently introduced legislation permitting the export of power under strict regulation. The Quebec contingent at Ottawa are confident that the Quebec power companies, with the blessing of the Taschereau Government, will come to the Bennett Government for power export permits. Under Federal law, the Government has authority to approve permits by order-in-council.

This being so, the common belief is that Mr. Bennett will agree to any reasonable proposition that is advanced. Export of Quebec power within the year is considered highly probable.

B. C. FRUIT CANNERS PROTEST SUGAR TAX

Fear Loss of Export Market on Price Increase

From Our Own Correspondent

VANCOUVER. — The new tax on sugar is being protested by the many fruit processing and wine industries of British Columbia, which fear that the added cost of operation as a result of the levy will prevent them from winning a place in important export markets.

British Columbia sold 15,000 cases of canned loganberries in the United Kingdom last year, and this year planned to dispose of 60,000 cases in that market. Shippers assert, however, that the new tax will enable Washington and Oregon shippers to regain the British market to the exclusion of British Columbia products. Producers will be forced to finance for sugar instead of berries.

British Columbia wines paid an impost of 10 shillings a gallon in entering the South African and Australian markets, but products of those countries paid only 25 cents a gallon on entering Canada. In addition there was a bounty on Australian wines of one shilling sixpence per gallon.

QUEBEC POWER SILENT ON POLICY

Ottawa Story

(Continued from page 1)

nett Government will not even consider applications for additional power exports.

Is Federal Matter

There is, in reality, no constitutional issue involved. Export of power, like the export of everything else, is a matter under exclusive Federal jurisdiction. In the past, the provinces have asserted their right to a voice in export decisions in two ways. Quebec enacted a law in 1926 by which no contracts for power development would be granted unless the corporation applying for the contract solemnly covenanted not to export. The power, of course, belongs to the provinces and the right to make such stipulations in contracts has not been challenged at Ottawa. The other provincial assertion has been along the line that the Dominion must not issue power export permits without the consent of the particular province affected. Without amending the statutes, successive Federal governments have conceded this right. In fact, Senator Beique once moved an amendment to this effect, while the Upper House was considering the Electricity and Fluid Exportation Act. The amendment was accepted without question, but the measure to which it was offered failed of enactment. In principle, however, the right of the province to be heard in all matters affecting power exports has been conceded by every government since 1915.

Present Provisions

Export of power is dealt with under the Electricity and Fluid Exportation Act, enacted originally in 1907. The history of the enactment is of interest, but of immediate concern are the present provisions of the law. The Government is given power to draw up regulations governing the export of power, to impose an export tax and license fees on companies exporting. The law reads: "No person shall export any power without a license . . . nor construct or place in position any line or wire or other conductor for the exportation of power."

The present regulations were promulgated March 16, 1925. They impose an export tax on power of three-hundreths of a cent per kilowatt hour. Export licenses cost $50 or $25 each, according to the volume of power that is to be exported. As a revenue proposition, the Federal Government makes very little out of the business. Total receipts have always been under $300,000 per year.

Exports Declining

In the past few years, power exports have decreased. This is particularly true in British Columbia, where existing export power contracts expired in 1930 and were not renewed. In British Columbia, however, the American importers either brought in new power developments of their own or no longer needed the power. The exporting companies still have export licenses, but send out only a small amount of power. In Ontario, Quebec and the eastern provinces, contracts are still in force, but the requirements of Americans, owing to the depression, have decreased.

The last year of record is the fiscal period ending March 31, 1932. Figures for the new year will not be available until June. But in the earlier period total exports amounted to 1,008,358 kilowatt hours, a decrease of 741,140,820 kilowatt hours over the preceding year (ending March 31, 1931) and a similarly sharp reduction over the fiscal year ended March 31, 1929, when exports were 1,604,210,090 kilowatt hours.

Last year's exports were as follows:

	kw.h.
Ontario Hydro (Niagara Falls) firm power	364,524,100
Ontario Hydro surplus pwr.	30,889,600
Cedars Rapids (Montreal)	326,106,398
Canadian Niagara (Niagara Falls)	262,217,800
Canadian Niagara surp. pwr.	1,598,200
Western Power (Vancouver)	5,951
Ontario and Minnesota (Fort Frances)	10,014,700
Maine and New Brunswick (Presque Isle, Me.)	12,552,505
B. C. Electric (Vancouver)	146,606
Northport Power (Rossland)	271,490
Maritime Elec. (St. Stephens)	318,850
South. Canada Power (Quebec)	436,180
North. B. C. Pwr. Co. (Stewart)	59,760
Internat'l Rly. Co. (Buffalo)	553,418
Fraser Cos. (Edmunston)	8,218,900
Detroit & Windsor Subway Co.	484,500

The figures are given in terms of kilowatt hours. In the case of the Ontario Hydro it will be observed that total exports run to nearly 400,000,000 kilowatt hours, which is slightly in excess of 60,000 horsepower. The export of the Cedar Rapids company is equivalent to 49,765 horsepower; the Canadian Niagara company to 38,489 horsepower and so on. Total exports, last year, approximated 150,000 horsepower.

Has Been Vexed Question

The existence of such large export contracts is sufficient proof of the interest that parliament has taken in this question in the past 20 years. Power export has been a vexed question in both the Commons and the Senate. In a general way, all parties are pledged to restrict it to the smallest possible amount; to prohibit it if possible. The Conservative party, in particular, is committed to a policy of cutting down exports, and in no case of increasing them.

In 1928, when the Carillon development was under consideration, Hon. H. A. Stewart, now minister of public works, moved an amendment to the Electricity and Fluid Export Act, removing the power to grant export license from the Government, vesting it in Parliament. His bill was warmly supported by the Conservative members in the Commons at the time. The bill was accepted, also, by the Liberal Government, but failed to be adopted owing to the fact that it was a private measure and could not be reached.

Mr. Stewart returned to the task in 1929, when he advanced the bill again. In the second attempt he modified the measure to meet obvious difficulties. He recognized that existing licenses could not be cut off, so the measure was restricted only to new applications. He recognized, also, that emergent conditions sometimes arise in which export of power for a brief time is advisable. One such condition arose when the New England states were visited with floods. Their power plants were put out of action, and the Canadian Government granted export licenses

Parliament Opposed

This bill, also, was warmly supported by Rt. Hon. R. B. Bennett who, in Mr. Stewart's absence, moved the second reading. It carried in the House of Commons unanimously, but died in the Senate.

Opposition to power exports have arisen in Parliament because of a general belief that once power is allowed to leave this country it can never be repossessed. The American importers use it to supply light to communities, to create industries and for other essential services. It creates a vested interest which cannot easily be repudiated or compensated for.

Existing Export Contracts

There are a dozen contracts in existence under which power is exported. They are shown in an accompanying table.

Some of these contracts require explanation. The price paid to the Ontario Hydro is based on the kilowatt. The kilowatt is a larger unit than the horsepower. The approximate price in horsepower would be $12.60. The International Railway company is owned outright by an American company and furnishes power only to its owner.

Some of the contracts have many years to run. Yet under the Electricity and Fluid Export Act, licenses to export may only be issued for one year. In this way, as will be shown, Parliament has been seeking for many years to make good the claim that this power can be recalled. The annual license, however, is really eyewash. The soundness of these contracts has never been questioned and even in discussing the Stewart bill the Commons not only consented to but insisted upon the point that existing licenses must be renewed from year to year. Parliament was only to be given authority over new licenses. In effect, therefore, while it may be argued, legally, that failure of the Government to renew licenses would automatically break these contracts, the actual position is that licenses always will be forthcoming while the contracts exist.

The story of power licensing dates back to 1887 when the first charter for a power development was presented to Parliament. The power was to be developed at Niagara and exported to the United States. The charter was granted, extended from time to time. Finally, when the works were taken in hand, about 1906, Parliament realized that some export machinery must be created and the first Electricity and Fluid Export Act was passed in 1907. The Province of Ontario, through Sir James Whitney, then premier, was an assenting party. Later on the desirability of having export permits granted by the Government was sharply questioned. Sir Robert Borden tried to make the Railway Commission responsible, without success. The first license went to the Ontario Power company of Niagara Falls. Other licenses issued on the same day were to the Canadian Niagara Power Co., and to the Electrical Development Co., both of Niagara Falls. The first license permitted the export of 45,000 kilowatts which, by adding one third, may be converted into 60,000 horsepower. The Canadian Niagara Co. license was for 39,165 kilowatts and the Electrical Development Co. for 34,316 kilowatts.

Built by United States Money

The Canadian Niagara Power Co. was built by American money at a time when there was no market for power in Canada. Its present capacity is about 100,000 horsepower, of which it is licensed to export 60,300 horsepower. The original license for 39,165 kilowatts ran from 1908 to 1912, when it was increased to 40,000. In 1915 it was increased again to 55,000. In 1918 and 1919 the license was cancelled but was renewed in 1920 at 40,000, stepped up in 1922 to 45,000, where it has remained ever since.

The Electrical Development Co. and the Ontario Power Co. held their licenses steadily. When the former company was taken over by the Ontario Hydro, the contract was inherited. The Hydro continued to apply for licenses in the name of the old companies until 1925, when the license was issued direct to the Hydro.

With regard to the Ontario Power Co., the story is different. When the Hydro negotiated for its purchase, the export power contract outstanding ran until the year 2,010. The Hydro tried to break the contract and in the upshot accepted it at a maturity in 1950. Licenses for this contract were also issued in the name of the old company until 1925 and then in the name of the Hydro.

Contracts Altered

With respect to both these contracts, licenses were cancelled in 1918 and 1919, but restored in 1920. The one was for 35,000 and the other for 45,000 kilowatts. In 1925, the Hydro license called for export of 80,000 kilowatts. But in the same year the Hydro began the export of surplus power, receiving a license for the export of 45,000 kilowatts of such power. In 1927 a change was made. The license to export "firm" or ordinary power was cut to 45,000 kilowatts, the amount of the original Ontario Power Co. contract, while the license for surplus power was stepped up to 80,000 kilowatts. And about the same time the Canadian Niagara Power Co. was allowed to send out an additional 20,000 kilowatts of surplus power.

The other large contract is the Cedar Rapids Power & Mfg. Co.'s agreement with the Aluminum Co. of America. This export contract began at 45,000 kilowatts in 1913, was increased to 75,000 kilowatts in 1917 and, with the exception of 1918 and 1919, when export was stopped, has been held there ever since.

A very clear distinction is drawn, at Ottawa, between exports of "firm" power and surplus power. The "firm" power is an ordinary day by day export of power. Surplus power is exported only when the power companies have a surplus and it can be withdrawn on 24 hours notice.

No Contracts Cancelled

That the exports of "firm" power are permanently lost to this country is generally accepted by members of Parliament. It is recalled that in the days when the Hydro Electric were endeavoring to cancel the Niagara contracts, prior to taking over these companies, the issue became so prominent that the American interests affected appealed to the Public Service Commission of New York State. This commission issued a statement pointing out that the withdrawal of this power would be a "calamity" to many cities and districts of the state and declared that Canada could not do so. The Canadian Government, in view of this statement, passed an order-in-council asserting Canada's right to cancel the licenses. But Canada has never permanently cancelled licenses and, it is commonly agreed, never will.

QUEBEC POWER SILENT ON POLICY

Montreal Story

(Continued from page 1)

power have been the means of attracting many new industries to Quebec, notably pulp and paper, aluminum and other large power-using industries.

Cause for Change

In justifying the changed policy, Hon. Honoré Mercier, Minister of Lands and Forests, told the provincial legislature that the present excess of power is likely to last for several years and in order to co-operate with the industry, it is proposed to permit the export of energy.

In this connection his remarks about the power industry are of particular significance. He says:

"Our public utility enterprises, and particularly electric power, have been greatly affected by this depression, which has caused uncertainty in the industry. Consumption of the product, considerably reduced as a result, among other causes, of the difficulties of the pulp and paper industry, and constant decrease in their markets, place them in an embarrassing position in which they have had to call on the aid of the public bodies upon which they are dependent."

Restrictions on Exports

As for the actual bill itself, it is proposed to allow the export of power under Government authority up to an amount not exceeding 250,000 h.p., on which a tax of $2 a h.p. will be levied. The sale price of the power "will not be lower than that at which the same electric power is sold in this province." Further the selling price will be based on deliveries at the generating plant.

Problems to Overcome

Many problems will have to be overcome before the export of power under the new arrangement becomes an accomplished fact. In the first place the bill has to be passed by the legislature. Inasmuch as it is a Government measure, there is every reason to believe that it will be approved. Before the power can be exported under this regulation, it will be necessary to secure authority from Ottawa. It is not expected that there will be any obstacles from that source.

But there are other practical problems to be overcome before the Quebec operators can establish a market in New York State for the 250,000 h.p. mentioned in the Government bill.

Job for Syndicate

It is understood that any plan for export of power would be handled by a syndicate rather than through any one company. A combination of Beauharnois, Montreal Power and Shawinigan would be in a position to handle an export business up to 250,000 h.p. by means of relaying power.

There is no doubt but that these three companies would welcome the opportunity of exporting power to New York State. Two of these companies—Shawinigan and Montreal Power—have to meet their funded debt obligations in New York funds. The development of any source of revenue in the United States for surplus power would substantially strengthen their financial position.

Help Meet Charges

Last year it cost Shawinigan around $750,000 to meet its American obligations—interest on funded debt and payment of power deliveries from Duke-Price Power Co. It would not require a large amount of power for export to the United States to provide sufficient American funds to cover the company's obligations in New York.

Before this desirable condition is created many difficulties will have to be overcome.

Low Price Necessary

In the first place the price at which the power is to be sold will have to be attractive to the buyer—in this case Niagara Hudson Power Co. The Quebec bill says that the power must not be sold for a figure not less than the same power is sold for in the province. This is taken to mean that the rate for firm power will be in the neighborhood of $15 a h.p. This is the price at the bus bar. Line loss on power transmitted is likely to run as high as 20 per cent, so that the purchaser would actually be paying $18 a h.p. before he put it to use.

Two Major Obstacles

Additional charges include the tax of $2 a h.p. and the cost of transmitting the energy. These two charges may prove a stumbling block to the building up of a market for surplus Quebec power in New York State.

At the present time there is one main transmission line into New York State—the one operated by Cedars Rapids to Massena, N.Y., where it would be possible to hook-up with the Niagara Hudson system. It is said that this line can carry only 10,000 h.p. more than the present peak load.

In order to export anything like 250,000 h.p. it would be necessary to build a new transmission line, the cost of which might make it prohibitive to export power to the United States. On the other hand, it is pointed out that Cedars Rapids is able to build a line and market power in New York State so that it should not be out of the question for a syndicate to do likewise.

If it is possible for the power companies to deliver power under $24 a h.p. it is considered as highly probable that eventually a market can be found in New York State for the 250,000 h.p. permitted under the Mercier Bill.

The logical market for Quebec's surplus power in New York State is with Niagara Hudson Power Co. This utility depends largely on steam generated power. It is said that over the next few years the company will likely have to undertake large capital expenditures in order to modernize some of its plants.

Instead of doing this the suggestion is that it would be to the advantage of Niagara Hudson to purchase Quebec hydro power. This is regarded as reasonable provided that the power can be delivered to Niagara Hudson at a favorable cost which means at a price under that for which power can be generated by coal.

With the $2 tax per h.p. on exports and the possibility of heavy transmission costs, some of the power operators do not see how a market can be developed with Niagara Hudson.

Reasons for Hope

With a return to normal conditions in its territory, there is reason for believing that Niagara Hudson would be seriously interested in contracting for a fairly substantial supply of power.

In 1931 energy generated by Niagara Hudson steam generating plants amounted to 270,000,000 kw.h. This figure is below normal as in 1929 steam generated energy totalled 1,000,000,000 kw.h.

The drop between 1929 and 1931 production of energy by coal, representing 700,000,000 kw.h. of energy would go a long way toward absorbing the 250,000 h.p. which Quebec proposes to allow the operators to export.

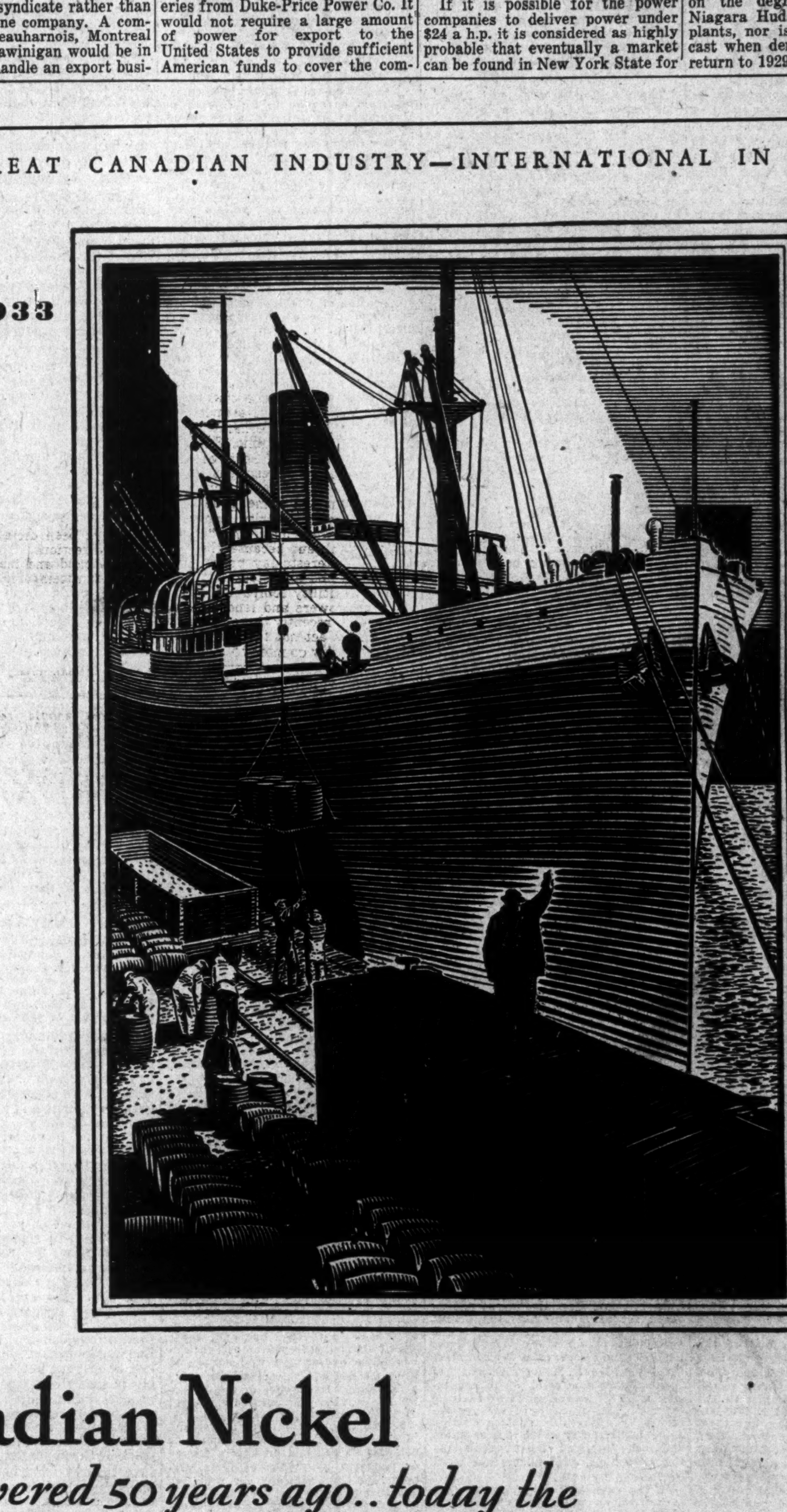
There is no accurate information on the degree of obsolescence in Niagara Hudson's fuel generating plants, nor is it possible to forecast when demand for energy will return to 1929 levels.

Existing Export Contracts of Power from Canada

Company	Date of contract	Duration	Contract amount	Contract price
Ont. Hydro-Electric Power	1904	1950	60,300 h.p.	$16.75 per kw.
Canadian Niagara Power..	1922	1934	49,982 h.p.	$26.80 per kw.
Ontario and Minnesota Power Co.	none	....	....	$25 h.p.
International Rly Co......	none	....	....	......
Cedar Rapids Power Co....	1912	1997	75,000 h.p.	$15 h.p.
Southern Canada Power (sells only about 200 residents in U. S.)				
Maine and New Brunswick Power Co.	1925	1955	*	1½c kw.h.
Fraser Companies (annual contracts)			2,010 h.p.	1½c kw.h.
Maritime Electric Co......	1925	1945	304 h.p.	1½c kw.h.
West Kootenay Power Co.	1928	1938	2,010	1c kw.h.
Western Power Co. (interchange surplus power only)				.6c kw.h.

* No amount stipulated.

THE STORY OF A GREAT CANADIAN INDUSTRY—INTERNATIONAL IN SCOPE



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SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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3 Gold Standards In Use Since War

Gold Exchange, Gold Bullion and Gold Specie Standards All Aim at Stability of Currencies —International Credit Policies Needed

There are three gold standards which have been in use since the war. As if one were not enough to puzzle the layman, complications have been added. But the fundamental principles of each standard are simple and easily understood.

The three standards are the gold exchange standard, the gold bullion standard and the gold specie standard. The specie and bullion standards are closely related.

Strict interpretation of the gold standard requires the country operating the system to redeem its notes in gold coin, to buy gold in unlimited quantities at a fixed price, to accept gold in unlimited quantities as legal tender, and to allow unrestricted import and export of gold. Under this system gold is current coin of the realm in every way, even in the form of bullion. This is the gold specie standard. Holland is now the only important country using it. The United States was using it until the banking crisis occurred.

Gold Bullion Standard

The gold bullion standard is a modification of the specie standard. Notes are not freely redeemable in gold coin under this plan. But bullion and coin are bought and sold at fixed levels, subject to a minimum quantity. This minimum prevents much of the circulation of gold coin publicly. Free export and import of gold are allowed by this standard. Thus it is much the same as the specie standard, except that gold coin does not get into public circulation through redemption of notes in small quantities.

The gold exchange standard consists of maintenance of the foreign exchange of a country on a par with gold currencies. In such countries, gold is not necessarily given in exchange for notes, and gold need not be bought and sold at fixed prices. But internal currency is either exchangeable for a gold currency at a fixed price based on the statutory gold content of the two currencies, or central bank facilities are used to maintain foreign exchange at the gold par. Thus conversion into another gold currency can be made by the country's citizens practically at par.

All three gold standards, of course, require the maintenance of gold reserves by the central monetary authorities of the gold standard countries.

Purpose of Standards

The purpose of these standards is first to remove the currency fluctuation hazard from foreign trade. This is accomplished by use of a common medium, gold, to pay for the net balance of trade. The gold holdings of the central authority are also used as a credit basis. They provide a maximum limit to which credit can be extended in most cases. But this maximum can be altered by voluntary action.

In normal trade conditions between gold standard countries, gold is used to pay for the net balance of payments. The free import and export of gold for such international payments automatically keeps currencies very close to their gold par. If the balance of payments swings too far toward one country, its currency will rise on the exchange markets. When it rises above a certain point, it becomes profitable to send gold in payment for purchases rather than to buy foreign exchange. When such shipments are made they relieve the exchange market of a potential purchase of exchange and keep the exchange rates stable. That is how the gold standard works automatically. No matter which one of the three gold standards are operated, the effect on exchange is the same. Such currencies can only fluctuate within narrow limits.

Effect of Prices

Price levels in gold standard countries must remain in fairly close relationship with each other. If prices were to fall heavily in one gold standard country, due, say, to a contraction of credit, heavy purchases would be made in that country by other nations. This would result in transfers of gold to make payment. The country receiving gold should credit by lowering discount rates. This would raise prices and equilibrium would again be attained. In actual practice this principle works with a considerable accuracy, given normal trade conditions. Obviously some international co-operation on credit policies is necessary to maintain a satisfactory operation of the gold standard. Otherwise the gold standard will not work in this manner.

In the first of these articles on gold, Rt. Hon. Reginald McKenna's opinion of the best policy for Britain was quoted. He advocated maintenance or raising of the British internal price level through credit expansion rather than maintenance of the stability of sterling on the foreign exchanges. He apparently feels that, since other countries could not or would not adopt credit policies which would improve prices, Great Britain should pay no attention to what others are doing. He acknowledges that a higher price level in the United Kingdom, with an expansion of credit, would cause sterling to decline, if other countries do not follow a similar credit policy. But he would prefer lower sterling to lower prices.

Chamberlain's Statement

When the Chancellor of the Exchequer, Neville Chamberlain, stated that Britain was determined not to return to gold until she was assured the gold standard would work, he was doubtless thinking of international credit policies.

Since, in gold standard countries, the international price levels must correspond fairly closely, it is possible for a group of countries within the gold standard to force down prices in other countries in the group, despite what is said above. There can be a more or less continual flow of gold toward creditor countries without offsetting credit expansion in those countries.

Some economists are firmly of the opinion that this is what has happened in the United States and France. They have been increasing their gold stocks in recent years, but due to faulty credit machinery have been unable or unwilling to offset this by internal credit expansion. The United States Federal Reserve System has tried to expand credit through low interest rates and heavy purchases of government securities. But it hasn't worked. The reasons are that banks in the United States merely held for emergencies the proceeds received from the sale of their bonds or used the funds to repay Federal Reserve loans. The expansion never extended into the whole credit structure, because of the banking system of the country.

In France, the effective operation of a policy of credit expansion is hampered because the Bank of France cannot undertake purchases of securities in the open market. Thus, much of the large gold holdings of France are doing no more for credit expansion than if they were buried in the earth.

Reader's Impression

A reader of The Financial Post recently suggested that there is little reason to the statutory fixed gold content of currency units. His impression was that a group of men put their heads together in London many, many years ago and decided to give a certain gold content to the British currency unit. He suggested that this arbitrary procedure is now causing difficulties in the international credit system, because the fixed value of gold must result in a limitation of credit expansion on a gold base insufficient for a modern economy.

Actually the fixed valuation of gold, which started in England, was established in just such an arbitrary manner. It was set by statute at £3 14s. 2d. an ounce in 1663. This turned out badly because silver was also freely coined in England at that time. The value of guineas in terms of silver was too high, and they disappeared from circulation, chiefly through sale of the metal in the coins. As a result, gold was revalued in 1717 at £3 17s. 10½d., which has been its statutory value in Great Britain ever since. This was effected by requiring 44½ guineas to be coined from 12 ounces of standard gold, and guineas being given a value of £1 1s.

Gold, Credit and Prices

There is little reason to suppose that the arbitrarily fixed value of gold must limit price levels and credit expansion. Most of the noted economists of the world are agreed that a much greater credit structure and consequently much higher prices could be effected without additions to present gold stocks and without revaluation of gold. They believe that this desideratum can be achieved by greater economy in the use of gold. This would call for international co-operation. So far this has been lacking.

To get this increase of credit it would be necessary for some countries to revise their ideas of what reserves should be held against notes and deposits. Holland and Switzerland now hold more than 100 per cent gold cover for notes. France and Belgium hold over 70 per cent. These enormous proportions are not necessary to settle international balances of payments, and are of no use for credit if they are held solely against notes. Canada's gold held against notes is simply hoarded metal in the opinion of some economists.

Credit can be increased on a gold standard basis, with little relation to the gold content of currencies, provided all leading gold countries follow the same policy. But if one country were to do it alone, its currency could not be maintained on a gold standard. Wide currency fluctuations and divergent credit policies would ensue. This is the present position of the world gold and credit situation.

Editor's Note—This is the second of a series of articles on the gold standard. The next will appear in an early issue.

Economic History Repeats Itself

Wisdom and Fallacy Down the Ages

* * * *

NO PANACEA FOR PANICS

"Let us dismiss from our minds the idea that there is any cure possible for financial troubles and panics. These have their root in human nature and are as certain as the tides, or the storms, the warm stimulating sunshine of summer, succeeded by the icy, frozen winter, and are just as essential for the regulation, clearance and purification of business as the changes are for the general health of human life. No system of currency will enable us to escape seasons of depression, failures and losses. Prosperity is bound to stretch the lines beyond breaking point, and dull times are needed to restore them; and just in proportion as the percentage of the total of legitimate business grows smaller to that of speculation and gambling upon margins, financial disasters will increase in number and severity. Let us therefore dismiss all panaceas for panics such as we have just experienced, and which were due several years ago, but delayed by an unequalled succession of good crops and strong demand for our crops abroad. The point that demands attention is that our banking system is unlike that of other countries. I agree thoroughly with those, however, who believe that the present is no time to urge the complete change we need. Our first aim should be to get legislation turned from the wrong to the right path, by introducing to some extent asset currency. No central bank is necessary to effect a cure—but only the cushion—elasticity, which President Roosevelt recommends."

—Speech by Andrew Carnegie in New York, Dec. 15, 1907.

* * * *

A WAR DEBT THAT CURSED THE RECEIVER

"The experience of the past shows that the lessons derived from the various panics which from time to time have visited us pass away from the minds of most men like a vague dream. Professor Bonamy Price, writing in 1866, truly says that prudence seems only to last for a year or two after disaster, during which time care and energy gradually restore the losses incurred; then prosperity again follows; prudence disappears, and recklessness takes its place; and once more the cycle is completed by another panic. . . .

"The years 1872-73 were characterized by higher rates—the average being about 4⅛ for 1872, and 4¾ for 1873, against about 2⅞ for the previous year, and nearly 3⅛ for 1870. This arose chiefly from the great drain of gold from this country in connection with the French War indemnity. The drain of gold from this cause had been so persistent and pronounced during the summer of 1872 that between June 20 and November 9 the bank had been obliged to raise their rate from 3 to 7 per cent. . . . It can easily be imagined that, notwithstanding occasional tightnesses in the money market, this period was one of great prosperity in England. . . .

"Unfortunately that war, while benefitting this country, desolated France and Germany. . . . The immediate effect of the war was to induce the wealthy classes on the Continent to send their money to this country for safe custody, or for investment, or for other employment. This made money abundant, raised the prices of securities, and generally gave a great impetus to trade. . . . But this prosperity was by no means altogether an unmixed blessing. . . . America, like England, being outside the zone of conflict, benefitted also by the war, and her prosperity also laid the seeds of future reaction. Germany herself, although enriched to an unprecedented degree by the war indemnity, also began to show signs of poverty. . . . The indemnity became a curse in her hands."

Extracts from Gilbart's "History, Principles, and Practice of Banking," published more than 50 years ago, describing the crisis of 1875 and 1878.

With New Deals Going Around How About One For Investors?

An attempt is being made to raise a political furore in Ontario over the fact that "investment trusts" of which Rt. Hon. Arthur Meighen was president held securities of Ontario Power Service Corp. and other interested enterprises when the power plant of the company was taken over by Ontario Hydro-Electric Power Commission of which Senator Meighen is a member and because a life insurance company of which Premier Geo. S. Henry was a director also held associated securities.

This particular controversy may or may not be short lived. But serves to introduce the problem of interlocking interests in finance.

There are very large issues involved in the interlocking of interests in private and public finance in Canada. If the issue is to be faced in this instance, should it not also be faced in other matters where the public interest is jeopardized by the attempt of different individuals to serve more than one master.

Consider for instance the relationship of a large number of "investment trusts" to investment banking firms. In many cases in Canada investment houses have formed "investment trusts" and sold securities to the public. They have retained actual or effective control of the trusts and managed them directly or indirectly after they were financed. Can a bond house, underwriting and offering securities for sale, give independent financial management to an "investment trust"? Experience shows that they often do not. Experience shows that many such "investment trusts" turn into ash heaps where the investment houses get rid of their unsaleable issues. But even where the inherent honesty of the interested parties bars any such financial brutality it is obvious that the investment banking partner has to be almost a superman if he is to be quite independent in his advice to an "investment trust." He has to be a good salesman of securities and a sharp buyer of the same securities, which is not easy.

Banks Engage in Corporation Underwritings

Or consider the practice of many of our leading banks of sharing in underwritings of corporation bonds. It has been amply demonstrated in the United States that, when banks directly or indirectly engage in the underwriting of corporation bonds, the temptation is strong to sell to investors bonds that will relieve the banks of the burden of carrying slow loans. The conservatism and high tradition of Canadian banking might prevent any such exploitation of the public in this manner. But the entering wedge for such evils has been driven into the banking structure of Canada by some recent underwritings. One does not have to draw much upon one's imagination to foresee trouble ahead if the banks do not drop out of their underwriting activities before abuses similar to those brought to light across the border creep into the system.

Then there are the interlocking relationships, sometimes informal, but very real in character, between all sorts of financial institutions dealing with the public—investment houses, brokerage firms, life insurance companies, trust companies, loan companies, etc. There is no denying that certain groups of financial institutions can be operated honestly and efficiently with a certain amount of co-operation between each other. No one has ever been able to find any ground for suspicion in the manner in which the Gooderham family in Toronto have managed a bank, a life insurance company, a loan company, a trust company and one or two lesser financial institutions. There is no evidence that any one of these has ever been forced to make an unwise investment at the instance of another unit in the group. The Gooderhams do not form companies to unload their mistakes on the public. But the Gooderham tradition is not universal.

All Sorts of Interlocking Relationships

There are investment banking firms closely affiliated with the interests in control of certain banks. There are life insurance companies in the same groups. There are trust companies working closely with security underwriting firms. There are "investment trusts" where both the "investment" and the "trust" features are largely absent because their policies have been dictated by groups whose interests lay primarily in other directions. There are firms selling bond and stock issues on the one hand and managing industrial or utility companies on the other and attempting to serve both the borrowers and lenders.

More recently there have been bondholders' protective committees set up to act not for the bondholders but for groups whose interests ran directly counter to the interests of bondholders.

The relationship between public interest, through a governmental position, and private interest, through directorships and stock ownership—serious as it is in some cases—is not half so menacing an influence upon the stability of thrift in Canada as the relationships between many different financial institutions each one attempting to serve the investor in one capacity or another, but with such conflicting interests that the investor is certain to be the butt of their saw-off agreements.

The letters that The Financial Post is publishing from readers who hold the securities of certain "investment trusts" in Canada that were organized and managed under investment banking influence—indicate that investors are aroused; that they demand greater independence in the institutions which seek their money for investment purposes; that they will want to know in the future where the greatest interest of the directors of their companies lies—whether in the company whose securities the public owns or in some other direction.

Cannot Be Entirely Divorced

It would be preaching a gospel of perfection and a policy of impracticability to urge that there should be no interlocking at all of business interests or of directorships. One cannot say "there ought to be a law" to prevent the people who control investment houses from controlling private companies or being largely interested in a bank, a trust company, an investing company or an insurance company. Financial brains are really scarce and should be made to work overtime when they come to light.

But a way must be found to ensure the investing public that any group of men, whose chief interest lies in one company, will not be able to use another company to promote their own interests by some less than frank subterfuge, even if it be subterfuge with the most honest intentions behind it.

The investors' best protection will come from publicity. That weapon of defence is to hand now, for use to a limited degree. Investors have stepped out and bought enthusiastically the securities of companies in which it was generally known that certain people were interested not only as agents of the sellers but as agents of investors. The public will probably be more chary about such issues and their sponsors in the future.

It is not enough to assume that the investor knows all the facts about every issue and the people behind it. Take one issue of bonds in an investing corporation. The investors were told in the offering circular who the president of the company was and they knew that he was also chief partner of the offering house. If they did not like such a connection they did not need to buy the bonds. What they did not fully realize was that the money they were putting up was going to be used largely to finance speculative transactions in association with the investment house and what they did not know was that the trust would take over from the partners of the investment house large blocks of not very saleable securities. There were numerous instances similar to this one.

British company law requires those who offer securities to the public to disclose the interest of directors in all phases of the issue. The new security legislation that President Roosevelt will put through Congress is going to insist upon the same thing. Roosevelt is likewise going to abolish security affiliates of banks.

New Deal Is Needed for Investor

Canadian provincial and Dominion legislation for the protection of investors may well be tightened up to provide fuller information as to the interest that different groups have in the same security issues.

Legislation, however, is an inadequate form of protection. Laws do not make people honest. Laws cannot even define where essential honesty lies in any matter. And many of the most dangerous practices in Canadian security financing are not the product of dishonest intentions but of habits that have been accepted with too little analysis or criticism.

Stiffer laws are less needed than straighter practices. That they will come cannot be doubted. Even financial men have learned a lot in these revealing days.

In this day of new deals all around let not the investor be forgotten. His capital is needed in the upbuilding of the nation.

CAN. FAIRBANKS SUSTAINED LOSS ON OPERATIONS

Report Reflects Initial Redemption of Preferred

From Our Own Correspondent

MONTREAL. — An operating loss, an increase in investments, and initial redemption of a block of preferred shares are features of the annual report of Canadian Fairbanks-Morse Co. in 1932. After taking credit for miscellaneous income and providing for bad debts there was an operating loss of $46,851 compared with a net income of $79,561 in the previous year. Depreciation increased last year's deficit to $66,740 against a net profit of $19,722, after pension fund, in 1931.

Preferred dividends were slightly lower and common dividends totalled 25 cents a share compared with a payment of $1.50 a share in 1931. Guarantee of E. and T. Fairbanks and Co. preferred dividend involved a contribution of $18,145 for the first time and total loss for the year was $192,785 against a deficit of $127,778 in the previous year.

To surplus has been added $39,798 representing profit on preferred redeemed and $334,914 representing adjustments affecting prior years. These, it is stated, arise from recovery of part of the annual contributions made by the company to the benefit fund, reorganized during the year.

Profit and Loss Figures

Following is a comparison of profit and loss for the past two years:

	1932	1931
	$	$
Net earnings	*†46,851	39,749
Misc. income	......	39,812
Net income	*46,851	79,561
Less: Depreciation	19,890	23,563
Bad debts w/o	......	16,356
Income tax	......	2,953
Pension fund	......	16,967
Net profit	*66,741	19,722
Less: Pref. divds.	87,900	90,000
Common divds.	20,000	120,000
Subs. divds.	18,145	......
Surplus for year	*192,786	*127,778
Disc. pfd. red.	39,798	......
Add: Prev. surp.	2,689,097	2,816,875
Adjust.	334,914	......
Bal. forward	2,871,023	2,689,097

*Deficit. †After bad debts and miscellaneous income.

Working Capital

	1932	1931
	$	$
Current assets	3,312,576	3,480,550
Current liabs.	147,189	189,638
Working capital	3,165,387	3,290,912

Investments Show Gain

In assets cash is down $162,000 at $520,039 but investments in government and other securities are carried at $769,970 compared with $444,251 and market values at the year-end were $745,888 compared with $405,195. Inventories are slightly lower at $1,257,909 and accounts receivable are down $410,000 at $676,873. Reserves for receivables were 14 per cent of customers accounts against 9 per cent at the end of 1931. Investment in preferred stock of E. and T. Fairbanks and Co., a subsidiary operating in Sherbrooke, is shown for the first time at $180,364.

In liabilities accounts payable and accrued liabilities are lower at $126,789 and reserves are up $16,000 at $571,977. During the year there were redeemed $140,000 of 6 per cent preferred, at an average price of $71.08 a share, leaving $1,360,000 outstanding.

Remarks to Shareholders

In his report to shareholders, Thomas McMillan, president of the company, said in part:

"The decline in volume of sales continued throughout the year, and although the velocity of the decrease was abated somewhat in the third quarter, this respite proved of short duration. This restriction of trade was commensurate with the continued reduction in industrial activity throughout Canada and the persistent weakness in the values of the commodity produce of the Dominion. The resultant paucity of business effected a smaller margin of profit through increased competitive activity."

Alexander Building Pays Interim Dividend

From Our Own Correspondent

MONTREAL.—A dividend of 1 per cent has been declared with respect to the interest, amounting to 6 per cent which has accrued up to and including April 1, 1933, on the Alexander Building Corp. 6 per cent first mortgage cumulative income bonds.

Announcement is also made requesting bondholders to deposit their security with the trust company under the terms of the reorganization plan, which was approved a short time ago.

COAST LUMBER LAUDS PROPOSAL U.S.A. TRADE PACT

Former Chief Market Now Cut Off By Tariff Action

From Our Own Correspondent

VANCOUVER—At least one section of the British Columbia industrial field will applaud negotiations leading to a form of reciprocity with the United States, and that is the lumber industry.

When the United States placed an increased tariff on lumber in effect, British Columbia lost its biggest and most important single market. While it has been possible to ship a small amount of lumber into the United States even under present conditions, the volume is negligible compared with what it used to be. If the tariff bars were lowered by the United States, and there is a normal pick-up in business, there should be orders sufficient to keep all the major sawmills in operation in this province.

Seek Substitutes

Since the United States clamped on its high tariff, lumber manufacturers here have done their best to find a substitute market. Efforts in the United Kingdom have been only partly successful owing to the competition of Soviet and Scandinavian lumber. The Far East market has been hampered by continued uncertainty in politics and the fluctuating exchange. Australia and other Empire countries have not been buying much lumber in any market, although British Columbia has had a bigger share than ever before of the business offering.

Northwest states will certainly fight any attempt to remove the tariff on Canadian lumber, but it is expected that the preponderance of consuming states, where price is the chief factor, will be sufficient to outweigh the influence of Washington and Oregon lumber interests.

Set House in Order Challenge to Canada

Examples of Britain and United States Cited to Indicate Dangers of Unbalanced Budget in Canada

By GEO. C. McDONALD
Senior Partner, Clarkson, McDonald, Currie & Co., chartered accountants, Montreal.

We have got ourselves terribly in debt governmentally. Like our private habits of expenditure our governmental expenditure became very extravagant, but, while our private spending has been drastically curtailed, it seems to take us longer to curb our governmental spending.

At 31st December 1931, the Dominion had direct liabilities of $2,600,000,000 without considering for the moment indirect liabilities in the way of guarantees, the net debt being $2,261,000,000. This balance is composed of sundry items of public works which no doubt have some considerable permanent value—$900,000,000—the debt against which can justifiably be spread over a period of years, but the rest of the $1,360,000,000 is represented by almost nothing at all, the piling up of our mistakes and our extravagances, those things which we have not paid for and which are being left for posterity to pay.

If you will analyze the provincial and municipal balance sheets you will find similar situations.

Total Debt Enormous

The total public debt of Canada with guarantees, including Dominion, provincial and municipal obligations is $6,500,000,000. This gives us a per capita debt of $650.

Another feature of the present situation that naturally goes with the increasing debt is the proportion of the so-called uncontrollable expenditure of government. In 1912 and 1913 out of the expenditure of the Dominion Government, 11½ per cent was charges for interest. By 1930 and 1931 the proportion of interest to total expenditure was 31 per cent.

Using Bank Funds

I would just like to indicate to what extent the assets of the banks are being involved in government financing.

On December 31, 1913, the total of governmental assets in the chartered banks of Canada was $67,637,000, or 4.38 per cent of the total assets of all the banks.

On December 31, 1931, these items had reached the total of $803,270,000, or 27.30 per cent of the total assets of the banks.

On December 31, 1932, these items had risen to $869,161,000, or 30.93 per cent of the total assets of all the banks.

Of this total of $869,161,000, $562,360,000 were Dominion Government and Provincial Government securities. These items are considered as being of very high category in the liquid assets of the bank, ranking higher than current loans. The increase in the government securities between 1931 and 1932 is largely compensated by a decrease in current loans. That means that the money of the depositors is being used to that extent so much more for government purposes and so much less for the ordinary commercial purposes of the country. Under normal circumstances, that change is considered an improvement in the position of the banks. On the other hand, to the extent that these government loans represent deficits in revenue, and expenditure on non-productive assets, and this increase continues, there will presently come a time when that position will not be considered to be sound.

Causes of Situation

The growing debt has arisen from three sources:

1. Borrowing for new capital expenditures.
2. Borrowing to make up revenue deficits.
3. Borrowings for special purposes not usually included in either of the two above.

For the growing expenditures the explanation is:

1. The extent to which governments have gone into business.
2. The extent to which governments have increased their expenditure on social and educational work.

Political Railways

As far as the Dominion Government is concerned, obviously the increased debt was principally due to the Canadian National Railways.

Confederation and geography brought it about that a transcontinental railway should be a Federal affair. I think as far as any obligation to build transcontinental lines was concerned the duty of the country as a whole to those sections which were promised the accommodation has been completely fulfilled. Everybody will agree that it has been overdone.

However, we seem to have become railway-minded, and from here and there in different parts of the country there is public clamor for more railways.

I am going to refer to one or two instances. Starting in the East I will refer to the Guysboro Line. I am informed that for years a local member pressed the claims of his constituency and finally four or five years ago the government weakened, and I understand that already there has been spent on this enterprise more money than would have been sufficient to endow a bus and truck line that would have been able to take care of the traffic for all time.

Hudson Bay, Peace River

To my mind, the Hudson Bay Railway should have been a local enterprise for Manitoba and Saskatchewan. Not satisfied with the magnificent outlay on the three transcontinental railroads, and with both parties at Ottawa accustomed to granting railroad facilities, public clamor resulted in bringing about that expenditure of $50,000,000 to $60,000,000. The estimates for the year 1934 item No. 14 include a further expenditure of $967,500. In my view the Hudson Bay Railway was an enterprise solely for the benefit of one section of the country, and one, that if successful, would have resulted in taking away benefits from other parts of the country, and in making less profitable, enterprises which had been paid for out of Federal money.

Moving further West, there is the continual outcry for an outlet from the Peace River country to the Pacific Coast. I hope that we have learned our lesson, and that that enterprise will only be undertaken when either the Provincial Government or one of the railroads is willing to do it as a justifiable business venture.

Montreal Harbor Bridge

The railroads explain the greatest part of our increased debt, but not all of it. Other undertakings have played a part in adding seriously to the debt situation at the present moment. As an illustration of the kind of expenditure that has helped to increase the burden, may I allude to one enterprise that has been backed by Federal money which in my view

(Continued on page 19)

Licensed by the Dominion Government and Registered Under the Quebec, Ontario, Manitoba, Saskatchewan, Alberta, and British Columbia Insurance Acts

THE WAWANESA MUTUAL INSURANCE Company

CANADA'S LARGEST FIRE MUTUAL

FIRE | WINDSTORM | SPRINKLER LEAKAGE | AUTOMOBILE

FINANCIAL STATEMENT for year ending 31st December, 1932

ASSETS		LIABILITIES	
Real Estate	$ 85,379.38	Reserve for Losses not Settled	$ 86,456.37
Bonds, First Mortgages, Debentures, Stocks—Government Valuation	775,394.68	Reserve for Unearned Premiums and Securities covering Re-Insurance	661,482.13
Securities covering Re-Insurance	163,942.93	Reserve for Taxes	20,000.00
Cash on Hand—Wawanesa	2,899.82	Accounts Payable	9,539.75
Cash on Hand—Regina	7,510.78	Reserve for Unlicensed Losses Recoverable	43,028.66
Trust Co. Deposit, Jan. 1, 1933	20,000.00	SURPLUS	2,539,928.48
Interest Due and Accrued	31,964.53		
Agents' Balances Current	83,642.07		
Unpaid Assessments, 1932	174,736.79		
Accounts Receivable	27,851.42		
CONTINGENT ASSETS			
Agents' Balances over 90 days	60,346.86		
Balance 1931 Unpaid Assessments	16,200.00		
Accounts Receivable	1,213.40		
Office Equipment, Automobiles, etc.	27,625.69		
Unassessed Premium Notes	1,881,727.04		
	$3,360,435.39		$3,360,435.39

Cash Surplus and Reserve for Policyholders' Protection	$1,257,326.28
Contingent Assets	1,987,112.99
Total Security for Policyholders	$3,244,439.27
Net Premiums written 1932	1,132,457.62
With Losses of	585,473.49
or Loss Ratio of 51%, Expense Ratio 41%, Total of 92% of premiums.	
Insurance in Force—over	$261,732,156.00

ABSOLUTE SECURITY | BROADEST POLICY | LOWEST COST

Head Office: WAWANESA, MANITOBA

BRANCH OFFICES:—

Owen Sound, Ont. .... Sydenham Mutual Branch
Toronto, Ont. .... 341 Church Street
Vancouver, B.C. .... 312 Metropolitan Building
Montreal, P.Q. .... 60 St. James Street West

Fire Insurance Group and Company Experience, 1932

Royal-Liverpool Again Leading in Fire Insurance

Commercial Union and London & Lancashire Move Up to Second and Third Places in Group Ranking for 1932

The Royal-Liverpool group still continues well atop the fire insurance pile in Canada on the basis of net premiums written in 1932, according to the annual analysis of fire insurance experience in Canada undertaken by The Financial Post.

This group embracing the "Royal" companies of which J. H. Labelle is chief agent in Canada and the Liverpool & London & Globe companies in charge of Lewis Laing, together accounted for a net premium income in the past year of $4,455,835 as compared with $4,676,300 in 1931. Loss ratio for the group on an earned basis was 59.2 per cent as compared with 54.5 the previous year. The figures are all based on official Government returns supplied by G. D. Finlayson, superintendent of insurance at Ottawa, but reclassified and analyzed by The Post on the basis of independent companies and company and management "groups." At the request of The Financial Post, G. D. Finlayson has this year released for the first time preliminary experience of all fire companies on a premiums "earned" basis.

Other Ranking Groups Change

Ranking for second, third and fourth places shows important changes for 1932. Commercial Union companies including the Ocean Accident & Guarantee Corp., which is operated separately in Canada under the management of Albert C. Hall, now take second place on the basis of net premiums written. Premium volume was $2,162,000 with an earned loss ratio of 56.5 per cent. Phoenix-England group drops back to fourth place with $2,034,000 of net premiums against $2,495,000 in 1931.

Similarly London & Lancashire group under management in Canada of W. R. Houghton moves up from fourth to third place with premiums of $2,064,000 as compared with $2,210,000 a year ago. These figures include the experience of the three Ontario-licensed companies operated under London & Lancashire management in Canada, namely Hand-in-Hand, Merchants Fire and Queen City Insurance.

Both Phoenix-England and London & Lancashire report considerably improved loss ratios for the year in spite of a generally adverse year when loss ratios for all companies soared to the highest in a decade. British America-Western—seventh ranking group in 1932 and 1931—also shows a considerably improved loss ratio on an earned premium basis.

Scarcely any companies show an increase in premium income for 1932. A tabulation of premium income of the twenty-five leading groups or independent companies ranked in order of net premiums written and with comparative figures for 1931 shows only one company—Wawanesa Mutual—with a higher volume of premiums written. In 1931 this company wrote in Canada net premiums of $1,038,491 and in 1932, according to Federal Government figures a slight increase to $1,073,860 was reported. This was after deduction of all reinsurance.

Experience of all companies shows that fire losses in Canada were the worst experienced in a decade. While premium volume for all companies declined by approximately 7.5 per cent (on the basis of federal figures) the ratio of losses incurred to premiums earned rose from 60.2 per cent a year ago to 64.3 per cent in 1932.

Comparative figures for net premiums written by leading company groups in 1932 with corresponding figures for 1931 as compiled by The Financial Post, follow. The tabulations also include the summarized experience for 1932 of 50 leading companies and groups ranked in order of net premiums in the past year. The figures are based on Federal Governument statistics throughout except where Ontario data has been included to give complete experience for a particular group of companies.

Net Premiums Written
("G" indicates group figure)

	1932	1931
	$	$
Royal-Liverpool (G)	4,455,835	4,626,311
Com'rcial Union (G)	2,162,051	2,425,294
London & Lanc. (G)	2,063,639	2,210,499
Phoenix-England (G)	2,034,055	2,494,769
Home	1,423,571	1,728,912
Shaw & Begg (G)	1,396,486	1,541,480
Br. Amer.-Western (G)	1,249,321	1,442,357
Sun (G)	1,196,105	1,126,429
Royal Exchange (G)	1,149,710	1,288,999
Guardian (G)	1,081,996	1,216,868
Wawanesa	1,073,860	1,038,491
North British (G)	1,037,535	1,126,199
Northern (G)	1,021,842	1,117,564
Hartford (G)	997,188	1,063,451
Norwich Union (G)	983,343	1,029,987
American Fire (G)	969,331	1,126,226
Massie & Renwick (G)	930,258	1,090,062
Globe & Rutgers (G)	890,651	930,712
J. E. Clement (G)	864,082	1,018,991
Eagle Star (G)	854,529	975,646
Employers' Liab. (G)	777,744	851,857
Hardware Mutual (G)	759,063	816,975
J. W. Tatley (G)	758,320	850,283
Great American (G)	755,611	954,646
Northwest Mutual	727,821	879,821

EXPERIENCE OF 50 LEADING COMPANIES AND GROUPS
Ranked in order of Net Premiums Written

Group or Company ("G" denotes Group)	Net premiums written in 1932	Net premiums earned for 1932	Net Losses incurred in 1932	Ratio of net losses incurred to net prems. earned 1932	1931
	$	$	$	%	%
1. Royal-Liverpool (G)	4,455,835	4,592,041	2,718,224	59.2	54.5
2. Commercial Union (G)	2,162,051	2,339,411	1,322,389	56.5	55.3
3. London & Lancashire (G)	2,063,639	2,158,580	1,186,943	55.0	60.0
4. Phoenix-England (G)	2,034,055	2,182,021	1,231,028	56.4	60.2
5. Home	1,423,571	1,590,671	1,412,214	88.8	70.4
6. Shaw & Begg (G)	1,396,486	1,474,761	950,186	64.4	....
7. British America-Western (G)	1,249,321	1,369,281	757,461	55.3	60.3
8. Sun (G)	1,196,105	1,143,768	661,512	57.8	62.7
9. Royal Exchange (G)	1,149,710	1,238,330	627,912	50.7	49.9
10. Guardian (G)	1,081,996	1,164,468	662,234	56.9	57.3
11. Wawanesa	1,073,860	938,573	544,494	58.0	68.01
12. North British & Merc. (G)	1,037,535	1,111,066	573,549	51.6	49.9
13. Northern (G)	1,021,842	1,089,903	743,385	68.2	55.4
14. Hartford (G)	997,188	1,045,499	508,304	48.6	47.9
15. Norwich Union (G)	983,343	1,003,504	580,609	57.9	56.62
16. American Foie (G)	969,331	1,075,548	621,918	57.8	60.1
17. Massey & Renwick (G)	930,258	1,015,763	487,412	48.0	55.9
18. Globe & Rutgers (G)	890,651	915,125	646,166	70.6	60.2
19. J E Clement (G)	864,082	914,346	533,532	58.3	68.2
20. Eagle Star (G)	854,529	862,047	460,216	53.4	58.9
21. Employers Liability (G)	777,744	812,563	463,846	57.1	52.5
22. Hardware Mutual (G)	759,063	788,244	396,531	50.3	39.80
23. J. W. Tatley (G)	758,320	813,265	465,475	57.2	52.9
24. Great American (G)	755,611	878,323	567,680	64.6	74.7
25. Northwestern Mutual	727,821	795,563	535,778	67.3	39.4
26. North American (G)	673,565	697,872	393,152	56.3	64.3
27. Atlas (G)	657,643	713,374	392,345	55.0	59.3
28. Willis-Faber (G)	650,801	654,521	449,791	68.7	55.9
29. London Assurance (G)	569,200	594,721	335,172	56.2	54.9
30. Corroon & Reynolds (G)	542,762	522,188	362,726	69.4	66.4
31. Prudential	525,282	538,661	393,295	73.0	70.7
32. Century (G)	525,219	523,032	304,876	58.3	45.7
33. Union of Canton (G)	500,465	515,726	269,756	56.4	42.0
34. Canadian Fire (G)	480,868	530,397	206,479	38.9	51.3
35. T. Meunier (G)	464,672	613,618	424,059	69.1	73.6
36. General Accident (G)	456,008	490,036	197,841	40.4	52.6
37. Aetna Fire (G)	455,043	506,794	274,432	54.1	47.4
38. Portage La Prairie	417,635	245,835	281,552	114.5	74.1
39. Grain Insurance	415,772	398,856	181,357	45.5	46.3
40. Springfield (G)	395,723	392,831	319,559	81.3	63.4
41. Caledonian (G)	392,810	381,238	204,832	53.7	42.1
42. W. A. Thompson (G)	387,502	417,286	204,315	49.0	54.2
43. Scottish Union (G)	378,537	387,565	245,902	63.4	57.6
44. Yorkshire (G)	350,705	364,755	195,818	53.7	62.1
45. P. J. Perrin (G)	350,331	368,974	245,197	66.4	71.3
46. National of Hartford	335,208	373,991	235,225	62.9	55.8
47. General of America (G)	305,188	260,470	199,633	76.6	48.7
48. General of Paris (G)	301,301	288,271	180,707	62.7	58.1
49. U. S. Fire	293,669	325,560	147,804	45.4	60.5
50. St. Paul (G)	286,784	326,134	290,913	89.2	54.3

Tariff Fire Firms Fare Best in 1932

(Continued from page 1)

premiums written, the non-tariffs found the business they gained to be anything but profitable when average figures considered. According to The Financial Post, compilation, mutual non-tariff companies suffered the worst punishment with a loss ratio on an earned basis of 75.3 per cent as compared with 50.7 per cent the previous year. Joint stock companies operating outside the tariff aegis suffered a 65.1 per cent loss ratio on an earned basis as compared with 62 per cent the previous year. Combined loss ratio for all non-tariff companies was 69.3 per cent compared with 57.6 per cent in 1931.

Both joint stock and mutual companies in the non-tariff field increased premium volume during the year and also their relative proportion of total business. At the end of 1932, joint stock non-tariff companies accounted for approximately 13 per cent of total business as compared with 11.5 per cent the previous year. Mutuals had 9 per cent compared with 7.5 per cent in 1931. Mutual figures do not include of course the many farm mutuals and cash mutuals licensed in the various provinces, nor does it include the experience of other important provincially-licensed insurers such as the New England Factory Mutuals and certain reciprocal exchanges

Reciprocals Included in 1932

Actual premium volume for joint stock non-tariff companies is placed by The Financial Post at $6,100,000 in 1932—an increase of nearly $200,000 over the corresponding figure of 1931. Net premiums written by mutuals included in the compilation are shown at $4,670,000, a gain of over $600,000. However, the 1932 mutual figures include the business of two reciprocal groups, the Lumbermen's Underwriting Alliance and the Associated Reciprocal Underwriters. These two groups were not registered under federal supervision in 1931, so their figures are a clear addition of $450,000 to the mutual premium income for 1932 If their figures are separated from the mutual experience, the earned loss ratio of mutuals for 1932 drops to 68 per cent due to the fact that Lumbermen's Underwriting Alliance suffered a 500 per cent loss ratio last year.

	Net premiums written	Net premiums earned	Net losses incurred	Earned loss ratio
	$	$	$	%
Tariff Companies				
1932	37,316,167	39,355,184	23,291,090	59.1
1931	41,524,767	43,212,208	25,068,777	58.0
Non-Tariff Companies				
(a) Joint Stock Companies				
1932	6,108,264	6,300,586	4,103,467	65.1
1931	5,921,810	5,864,957	3,626,210	62.0
(b) Mutuals				
1932	4,669,472	4,400,782	3,315,241	75.3
1931	4,035,790	3,315,241	1,919,874	50.7
Total Non-Tariff				
1932	10,777,736	10,701,368	7,418,708	69.3
1931	9,957,600	9,180,198	5,546,084	67.6

Fire Experience in Canada, 1932

Analyzed by Groups and Companies And for Tariff and Non-Tariff Co's

(Ranked in order of net premiums written, 1932)

I. TARIFF COMPANIES

(A) GROUPS	Net Premiums Written	Net Premiums Earned	Net Losses Incurred	Ratio of Losses Incurred to Prems. Earned	
Royal-L'pool & London & Globe Groups:	$	$	$	%	%
(a) Royal					
Hudson Bay	180,272	188,588	100,186	53.12	54.21
Newark Fire	127,804	132,867	73,888	55.61	54.39
Pioneer Insurance	101,860	107,154	54,668	51.02	54.45
Queen Ins. of America	513,155	535,956	288,297	53.79	53.99
Royal Insurance	1,680,260	1,768,802	1,018,033	57.55	52.85
Totals	2,603,351	2,733,367	1,535,072	56.16	53.2
(b) Liverpool & London & Globe Companies					
Central Insurance	106,774	146,821	55,797	38.00	49.48
Globe Indemnity of Canada	148,444	148,322	76,650	51.68	51.60
Liverpool, London & Globe	1,220,097	1,207,430	865,387	71.67	57.38
Liverpool-Manitoba	216,921	237,442	121,281	51.08	55.86
National Liverpool	160,248	118,659	64,037	53.97	57.06
Totals	1,852,484	1,858,674	1,183,152	63.66	56.3
Combined Total	4,455,835	4,592,041	2,718,224	59.19	54.5
Commercial Union Group					
(a) Commercial Union Companies					
Commercial Union Assurance	646,857	661,945	374,896	56.64	54.50
Commercial Union Fire	9,564	10,568	5,524	52.27	67.29
Palatine Insurance	275,893	292,697	189,652	64.79	51.90
British European	46,039	50,225	17,837	35.51	67.64
British General	97,819	111,988	57,378	51.24	78.32
California Insurance	74,250	82,712	60,318	72.93	59.48
Canada Acc. & Fire	178,710	212,082	103,277	48.70	52.05
North West Fire	79,916	90,655	41,618	45.90	54.76
American Central	68,585	84,508	47,944	56.73	100.46
Union Assur. of London	387,725	420,359	214,511	51.03	45.70
Group Total	1,865,358	2,017,739	1,112,950	55.16	56.2
(b) Ocean Accident					
Ocean Accident & Guar.	296,693	321,672	209,439	65.11	50.26
Combined Total	2,162,051	2,339,411	1,322,389	56.53	55.3
London & Lancashire Group					
Law, Union & Rock	326,532	342,450	186,842	54.56	59.94
London & Lancashire Insur.	1,119,777	1,155,805	693,352	59.99	67.21
London & Lancashire G. & A.	27,677	24,000	9,361	39.00	46.25
Mercantile Fire	110,748	121,707	52,516	43.15	42.44
Quebec Fire	148,414	161,299	84,048	52.11	45.91
Queen City†	90,170	92,151	36,458	39.56	60.72
Hand-in-Hand†	54,535	63,363	36,331	57.34	55.25
Merchants†	185,786	197,805	88,040	44.51	44.10
Group Total	2,063,639	2,158,580	1,186,943	54.99	60.0
† Ontario licensed companies. Official figures.					
Phoenix-England Group					
Acadia	232,572	224,508	126,986	56.56	58.96
Columbia Insurance	77,524	74,836	42,338	56.57	55.99
Imperial of N. Y.	155,268	149,783	84,795	56.61	57.55
London Guar. & Accident	155,047	149,671	85,210	56.93	41.68
North Empire Fire	155,048	149,672	84,870	56.70	54.12
Phoenix Assurance	1,095,806	1,218,009	680,470	55.87	63.05
Union Marine Ins. Co.	85,266	140,706	84,022	59.71	66.12
United Firemen's	77,524	74,836	42,337	56.57	59.76
Group Total	2,034,055	2,182,021	1,231,028	56.42	60.2
British America—Western Group					
British America	377,425	415,187	222,798	53.66	59.52
British Canadian	64,528	93,981	50,411	53.65	63.49
British Empire Assurance	121,481	127,526	69,540	54.53	61.91
Imperial Guar. & Accid.	50,463	58,611	31,445	53.65	61.02
Western Assurance	549,963	576,704	309,540	53.67	59.71
North River Insurance	85,461	97,292	73,727	75.78	61.28
Group Total	1,249,321	1,369,281	757,461	55.32	60.3
Sun Group					
Imperial Insurance	133,409	132,627	58,183	43.87	54.79
Patriotic Assurance	147,777	137,044	98,100	71.58	69.47
Planet Assurance	102,593	104,025	63,804	61.34	77.29
Sun Office (London)	731,758	742,592	428,052	57.64	60.77
London & County	80,568	27,480	13,373	48.66	....
Group Total	1,196,105	1,143,768	661,512	57.84	62.7
Royal Exchange Group					
Car & General	146,976	159,094	83,809	52.68	39.88
Local Government	69,436	72,212	32,583	45.12	40.44
National Provincial	129,985	135,763	74,789	55.09	40.43
Royal Exchange	545,179	592,160	281,082	47.47	57.27
State Assurance	108,323	105,943	38,672	36.50	49.07
Motor Union	84,072	98,598	87,731	88.98	53.21
United British	65,739	74,560	29,246	39.22	36.22
Group Total	1,149,710	1,238,330	627,912	50.71	49.9
Guardian Group					
Guardian Assurance	952,514	1,024,798	588,782	57.45	56.93
Guardian of Canada	129,482	139,675	73,452	52.59	60.74
Group Total	1,081,996	1,164,468	662,234	56.87	57.3
North British & Mercantile Group					
North British & Mercantile	811,528	863,244	477,534	55.32	50.37
Occidental Fire	186,892	204,769	87,801	42.28	45.04
Railway Passengers	39,155	43,053	8,214	19.08	65.63
Group Total	1,037,535	1,111,066	573,549	51.62	49.9
Northern Group					
Northern Assurance	558,285	586,733	366,904	62.54	52.07
Royal Scottish	145,331	150,021	112,951	75.29	46.42
World Marine & Gen.	82,960	87,119	89,738	103.01	63.42
London & Scottish	91,131	97,061	47,003	48.43	56.70
Scottish Metropolitan	149,135	168,969	126,789	75.03	69.54
Group Total	1,021,842	1,089,903	743,385	68.21	55.4
Hartford Group					
Citizens of New Jersey	33,527	36,491	21,308	58.38	32.75
Hartford Fire	811,541	848,108	404,860	47.74	46.72
London-Canada	152,120	160,900	82,136	51.05	53.29
Group Total	997,188	1,045,499	508,304	48.62	47.9
Norwich Union Group					
Canada Security	146,458	147,966	74,164	50.12	44.74
Norwich Union	836,885	855,538	506,445	59.20	58.07
Group Total	983,343	1,003,504	580,609	57.86	56.2
America Fore Group					
Continental Insurance	349,001	385,167	240,350	62.40	54.88
Fidelity-Phenix of N. Y.	325,032	356,515	204,465	57.35	50.45
First American	60,675	69,361	31,805	45.85	46.09
Maryland Insurance	66,105	76,628	38,712	50.52	73.39
Niagara Fire	168,518	187,877	106,586	57.04	90.17
Group Total	969,331	1,075,548	621,918	57.82	60.1
Globe & Rutgers Group					
Globe & Rutgers	817,160	808,794	580,184	71.73	59.67
Insurance Co. of Pennsylvania	73,491	106,331	65,982	62.05	68.14
Group Total	890,651	915,125	646,166	70.61	60.2
Eagle Star Group					
British Crown Assur.	331,669	322,226	217,003	67.34	55.41
British Northwestern	161,284	162,751	68,926	42.35	46.55
Eagle, Star & British Dom.	361,576	377,070	174,287	46.22	67.42
Group Total	854,529	862,047	460,216	53.39	58.9
Employers Liability Group					
Employers' Liab. Assur.	617,370	637,084	398,515	62.55	54.12
Merchants Marine	160,374	175,479	65,331	37.23	46.66
Group Total	777,744	812,563	463,846	57.08	52.5
J. W. Tatley Group					
Connecticut Fire	166,837	176,161	99,978	56.75	51.09
Equitable Fire & Marine	33,367	35,281	19,996	56.76	51.07
Phoenix of Hartford	276,474	291,924	165,679	56.75	51.07
Reliance of Canada	73,400	75,205	28,227	37.53	48.75
Westchester Fire	119,219	138,378	71,898	51.96	55.96
Providence Washington	89,023	96,321	79,697	82.74	60.11
Group Total	758,320	813,265	465,475	57.24	52.9
Great American Group					
American Alliance	61,934	63,285	44,692	70.62	89.82
Great American	678,193	800,722	511,815	63.92	69.69
County Fire	15,484	14,316	11,173	78.05	101.07
Group Total	755,611	878,323	567,680	64.63	74.7
North America Group					
Alliance of Philadelphia	123,374	124,816	67,532	54.11	75.24
Insurance Co. of N. America	520,147	552,984	314,493	56.87	63.15
Philadelphia Fire & Marine	30,044	20,072	11,127	55.44	7.19
Group Total	673,565	697,872	393,152	56.34	64.3
Atlas Group					
Atlas Assurance	584,533	634,722	352,636	55.56	60.79
Essex & Suffolk	73,110	78,652	39,709	50.49	46.36
Group Total	657,643	713,374	392,345	55.00	59.3
London Assurance Group					
British Law Ins.	78,725	78,592	16,558	21.07	86.77
London Assurance	407,114	436,296	275,082	63.05	47.67
Guildhall Ins.	83,361	79,833	43,532	54.53	65.86
Group Total	569,200	594,721	335,172	56.18	54.9
Century Group					
Anglo-Scottish	162,881	160,282	89,684	55.95	44.15
Pacific Coast Fire	123,063	123,123	67,582	54.89	48.51
Southern Insurance	14,868	12,417	3,466	27.91	13.88
Century Insurance	224,507	227,210	144,144	63.44	46.45
Group Total	525,319	523,032	304,876	58.29	45.7
Union of Canton Group					
Beaver Fire	31,507	31,717	10,747	33.88	42.51
British Traders	160,705	168,243	65,928	39.19	48.20
China Fire	21,415	23,436	33,978	144.98	57.85
Union of Canton	286,838	292,330	159,103	54.43	37.19
Group Total	500,465	515,726	269,756	56.36	42.0
Canadian Fire Group					
Canadian Fire	362,972	401,987	151,010	37.57	50.48
Canadian Indemnity	117,896	128,410	55,469	43.20	53.19
Group Total	480,868	530,397	206,479	38.93	51.3
General Accident Group					
General Accident of Canada	82,772	89,204	39,797	44.61	43.42
General Accident Fire & Life	299,257	323,893	127,195	39.27	53.73
Scottish Canadian Assurance	73,979	76,939	30,849	40.10	57.91
Group Total	456,008	490,036	197,841	40.37	52.6
Aetna Fire Group					
Aetna Insurance	371,635	406,637	205,527	50.54	47.21
World Fire & Marine	83,408	100,157	68,905	68.80	48.20
Group Total	455,043	506,794	274,432	54.15	47.4
Springfield Group					
Sentinel Fire	12,406	10,997	7,989	72.65	57.29
Springfield Fire & Marine	347,933	338,343	279,614	82.64	60.31
Michigan Fire & Marine	35,384	43,491	31,956	73.48	93.94
Group Total	395,723	392,831	319,559	81.35	63.4
Caledonian Group					
Caledonian-American	50,835	54,772	24,298	44.36	31.07
Caledonian	341,975	326,466	180,534	55.30	43.90
Group Total	392,810	381,238	204,832	53.73	42.1
W. A. Thompson Group					
Security Ins. of New Haven	106,955	106,452	51,668	48.54	59.06
American Insurance	129,767	118,962	64,319	54.07	60.47
Fire Assoc. of Philadelphia	126,963	139,252	67,519	48.49	48.08
Universal	23,817	52,620	20,809	39.55	55.22
Group Total	387,502	417,286	204,315	48.96	54.23
Scottish Union Group					
Scottish Union & National	363,893	374,217	240,040	64.14	58.02
Central Union	14,644	13,348	5,862	43.92	44.76
Group Total	378,537	387,565	245,902	63.45	57.6
Yorkshire Group					
London & Provincial	40,936	43,394	35,209	81.14	68.63
Yorkshire Insurance	309,769	321,361	160,604	49.98	61.18
Group Total	350,705	364,755	195,813	53.68	62.1
General of Paris Group					
General of Paris	155,749	147,831	98,424	66.58	56.36
Phenix Fire of Paris	145,552	140,440	82,283	58.59	59.98
Group Total	301,301	288,271	180,707	62.69	58.1
St. Paul Group					
Mercury Insurance	85,281	95,508	67,107	70.26	59.18
St. Paul Fire & Marine	201,503	230,626	223,806	97.04	52.60
Group Total	286,784	326,134	290,913	89.20	54.3
Firemen's Fund Group					
Firemen's Fund Insurance	188,582	198,740	146,724	73.83	61.33
Home Fire & Marine	76,562	60,183	37,531	62.36	66.08
Group Total	265,144	258,923	184,255	71.16	62.0
Canadian General Group					
Toronto General	140,141	155,192	101,723	65.62	74.41
Canadian General	124,369	132,238	77,407	58.54	64.01
Group Total	264,510	287,430	179,130	62.3	69.67
Dale and Co. Group					
Hanover Fire	101,380	122,452	78,406	64.03	72.74
National Union	135,639	126,590	96,253	76.04	59.26
Group Total	237,019	249,042	174,659	70.13	64.88
Dominion of Canada Group					
Casualty Co. of Canada	36,357	36,482	18,504	50.72	18.80
Dominion of Canada General	198,810	199,599	74,379	37.26	35.80
Group Total	235,167	236,081	92,883	39.34	33.2
Muir Beddal (Canada) Ltd. Group					
Legal and General	188,196	143,146	128,517	89.78	81.49
Urbaine	35,742	16,013	11,460	71.57	...
Group Total	223,938	159,159	139,977	87.95	81.49
R. de Grandpré Group					
Granite State Fire	29,206	30,144	18,996	63.02	78.33
New Hampshire Fire	156,423	153,222	87,126	56.86	68.90
Group Total	185,629	183,366	106,122	57.87	70.2
William H. Burgess Group					
Camden Fire	43,142	37,093	28,569	77.02	85.99
Canadian Surety Co.	32,329	29,820	17,940	60.16	60.19
Group Total	75,471	66,913	46,509	69.51	76.0
(b) Individual Companies					
Home Fire	1,423,571	1,590,671	1,412,214	88.78	70.42
Prudential	525,282	538,661	393,295	73.01	70.18
Grain Ins. & Guar.	415,772	398,856	181,357	45.47	46.26
Alliance Assurance	412,913	438,713	222,279	50.67	66.85
Nat. Fire of Hartford	335,208	373,991	235,225	62.90	55.84
United States Fire	293,669	325,560	147,804	45.40	60.49
Union of Paris	194,990	220,248	181,002	82.18	62.88
Provident †	161,788	164,860	156,472	94.91	...
Glens Falls	141,771	183,870	137,649	74.86	48.46
Pearl Assurance	138,794	140,640	82,213	58.46	74.52
British Oak	118,414	125,711	80,037	63.67	72.06
Travelers Fire	111,534	89,693	71,184	79.36	89.51
Boston Ins.	75,109	67,254	50,700	75.39	75.46
Agricultural Co. of N. Y.	61,904	68,806	58,776	85.42	65.96
Providence of Paris	51,280	46,820	24,689	52.73	106.13
Tokio Marine & Fire	38,644	40,221	11,930	29.66	47.95
New York Underwriters	37,418	41,249	16,616	40.28	45.88
Bankers and Traders	30,835	37,409	14,762	39.46	42.06
Queensland	10,090	12,130	13,309	109.72	23.92
† Ontario Insurance Department figures.					
TOTAL—TARIFF COMPANIES	37,316,152	39,355,184	23,291,090	59.1	57.9

II. NON-TARIFF COMPANIES
(a) Joint Stock Companies

(A) GROUPS	Net Premiums Written	Net Premiums Earned	Net Losses Incurred	Ratio of Losses Incurred to Prems. Earned 1932	1931
Shaw & Begg Group	$	$	$	%	%
Consolidated	26,833	44,903	43,505	96.89	102.90
Federal	188,102	187,011	104,115	55.67	56.60
Lumbermen's Insurance	87,573	104,125	53,544	51.42	48.94
Merchants' Fire Assur.	222,790	230,084	145,523	63.25	52.37
Millers National	99,003	124,475	92,028	73.93	68.23
New Jersey Insurance	57,042	49,657	27,136	54.65	39.72
Pacific Fire	287,536	286,347	205,698	71.84	66.91
Stuyvesant	207,543	226,318	167,127	73.85	68.73
Wellington	220,064	221,841	111,510	50.27	52.28
Group Total	1,396,486	1,474,761	950,186	64.43	59.62
† Ontario Insurance Department figures.					
Massie & Renwick Group					
Dominion Fire	270,007	283,989	133,616	47.05	47.84
Ensign Insurance	66,574	68,846	26,887	39.05	52.94
Firemen's of Newark	193,106	205,407	99,138	48.26	58.47
Girard Fire & Marine	28,202	31,641	24,977	78.94	66.73
National Ben Franklin	185,148	209,296	111,832	53.43	64.01
Northwestern National	187,221	216,584	90,962	42.00	54.73
Group Total	930,258	1,015,763	487,412	47.98	55.9
J. E. Clement Ins. Group					
American Colony	64,434	73,831	60,980	82.59	66.97
Fire Ins. of Canada	291,078	300,571	172,752	57.47	61.59
Nationale	508,570	539,944	299,800	55.52	71.86
Group Total	864,082	914,346	533,532	58.35	68.16
T. Meunier Group					
American Reserve	99,207	74,615	56,110	75.20	104.74
Metropolitan Fire Reassur.	72,361	110,532	80,453	72.79	...
Rhode Island Ins.	31,160	38,330	24,343	63.51	58.86
Rossia Insurance	96,408	168,924	98,127	58.09	66.45
British Colonial Fire	165,536	221,217	165,026	74.60	69.96
Group Total	464,672	613,618	424,059	69.11	73.62
P. J. Perrin Group					
La Fonciere Fire	139,091	154,623	105,820	68.44	71.70
Sussex Fire	50,739	54,881	46,983	85.61	71.78
Trans-Canada	160,501	159,470	92,394	57.94	70.35
Group Total	350,331	368,974	245,197	66.45	71.3
General of America Group					
General of America	332,068	214,822	154,997	72.15	37.25
First National	26,880	45,648	44,636	97.78	65.84
Group Total	305,188	260,470	199,633	76.64	48.7
Corroon & Reynolds Group					
Merchants & Manufacturers	189,771	163,829	121,972	74.45	55.76
New York Fire	239,431	241,148	175,308	72.70	66.60
American Equitable	113,560	117,211	65,446	55.84	81.09
Group Total	542,762	522,188	362,726	69.46	66.4
Willis-Faber Group					
Provincial Insurance	280,569	285,685	234,672	82.14	50.83
Sea Insurance	125,019	139,411	81,052	58.14	68.14
Carnhill Insurance	245,213	229,425	134,067	58.44	53.83
Group Total	650,801	654,521	449,791	68.72	55.9
(B) INDIVIDUAL COMPANIES					
American Home Fire	129,830	142,479	96,038	67.41	64.37
Halifax Fire	239,282	79,673	55,238	69.33	62.39
Transcontinental	19,126	12,141	12,400	102.13	14.91
Automobile	956	3,151	26,452	839.48	0.72
Lincoln	56,583	92,806	142,313	153.34	106.09
Mechanics and Traders	8,776	10,584	7,639	72.17	87.05
Beloise Fire	134,867	118,902	92,576	77.86	77.28
Pilot†	14,764	16,209	18,275	112.74	29.74
†Ontario Insurance Department figures.					
TOTAL—NON-TARIFF JOINT STOCK CO.'S	6,108,264	6,200,586	4,103,467	65.1	62.9

NON-TARIFF COMPANIES (Cont'd.)
(b) Mutual and Reciprocal Companies

(A) GROUPS	Net Premiums Written	Net Premiums Earned	Net Losses Incurred	Ratio of Losses Incurred to Prems. Earned 1932	1931
Hardware Mutual Group	$	$	$	%	%
Hardware Dealers Mutual	253,021	262,748	132,177	50.31	39.80
Minnesota Implement Fire	253,021	262,748	132,177	50.31	39.80
Retail Hardware Mutual	253,021	262,748	132,177	50.31	39.80
Group Total	759,063	788,244	396,531	50.31	39.80
Lumbermen's Mutual Group					
Central Manufacturers Mutual	90,221	80,599	52,825	65.54	34.54
Lumbermen's Mutual of Mansfield	82,932	86,000	70,371	81.83	25.31
Group Total	173,153	166,599	123,196	73.95	29.0
Lumbermen's Underwriting Alliance Group▲					
Inter-Insurers' Exchange	1,030	1,532	1,219	79.57	...
Lumbermen's Underwtng. Alliance	157,303	169,472	505,110	298.05	...
Underwriters' Exchange	7,446	9,009	1,060	11.76	...
Group Total	165,779	180,013	507,389	281.86	...
Associated Reciprocal Underwriters▲					
Affiliated Underwriters	70,639	78,585	52,937	67.36	...
Fireproof Sprinklered	9,719	10,950	325	2.97	...
Individual Underwriters	87,996	91,688	18,512	20.19	...
Metropolitan Inter-Insurers	56,185	57,743	23,287	40.33	...
N. Y. Reciprocal Underwriters	62,166	67,120	15,049	22.42	...
Total	286,705	306,086	110,110	35.97	...
▲ Reciprocal Groups.					
(B) INDIVIDUAL COMPANIES					
Wawanesa Mutual	1,073,860	938,573	544,494	58.01	68.01
Northwestern Mutual	727,821	795,563	535,778	67.35	39.44
Portage La Prairie	417,635	245,835	281,552	114.53	74.11
Commerce Mutual	246,921	236,578	110,129	46.55	45.99
United Mutual	107,125	104,369	56,311	53.95	52.00
Kings Mutual	43,865	42,033	37,161	88.41	53.49
Ohio Farmers	42,341	30,975	18,585	61.63	13.63
Lumber Mut. of Boston	106,390	87,490	76,557	87.50	...
Pennsyl. Lumbermen's	53,631	33,612	53,548	159.41	187.49
Amer. Exchange Underwriters	10,474	13,559	211	1.56	0.58
Pictou County Mut.	9,183	7,602	8,533	112.25	54.88
Antigonish Farm Mut.	3,622	3,408	3,850	113.14	106.07
Cumberland Farm Mut.	3,653	3,578	1,478	41.31	50.51
Manufacturing Lumbermen's	126,281	135,804	280,293	206.40	...
Mill Owners Mutual	254,480	252,886	121,378	48.01	37.89
Indiana Lumbermens	57,481	28,930	48,207	166.63	...
Total—Mutual Co.'s	4,669,472	4,400,782	3,315,241	75.33	50.9

No Losses Recorded In Aviation Insurance

Although four companies licensed under the federal insurance department at Ottawa to write aviation insurance in Canada received premiums in 1932, there were no losses recorded, according to figures released by the fefderal insurance department this week.

This was a pleasant change from the experience of a year ago when a premium income of $86,537 and losses of $231,000 were incurred with a loss ratio of 262 per cent.

Two companies enjoyed a net credit on account of past losses of $2,639.

Detailed figures follow:

AVIATION INSURANCE
(Dominion Licensed Companies)

	Net Premiums Written	Net Losses Incurred	Ratio
	$	$	%
Fidelity & Casualty	595	None	....
Great Am. Indem.	6,727	None	....
Great Amer. Insur.	13,204	None	....
Marine	9,001	–2,601	....
Travelers Fire	None	–38	....
Totals for 1932	29,527	–2,639	....
1931	86,537	231,027	261.9

PEARL
Assurance Company Limited
OF LONDON, ENGLAND

Writing the following lines of Insurance:

FIRE, Sprinkler Leakage, Limited Explosion, Tornado
Use and Occupancy, Rents, AUTOMOBILE, Burglary, Liability
Personal Accident, Inland Transportation, Fidelity and Surety Bonds

CHIEF OFFICE FOR CANADA - METROPOLITAN BLDG., TORONTO
LAWSON T. HARGREAVES, Manager for Canada
W. C. BUTLER, Casualty Superintendent

THE DEPENDABLE GROUP
1782 1933

THE ADDED STRENGTH OF UNION
. . . gives to every member Company of the "Phoenix of London" Group, besides its individual stability, the additional advantages of large resources, widened experience and mutual co-operation. To agents and policyholders alike, the "Phoenix of London" Group means adequate protection, ample security and consistently fair dealing.

PHOENIX ASSURANCE COMPANY Limited
of London, England

Head Office for Canada: MONTREAL
Manager for Canada: J. B. PATERSON

ASSOCIATED COMPANIES
THE ACADIA FIRE INSURANCE COMPANY, Head Office — Halifax
THE NORTH EMPIRE FIRE INSURANCE COMPANY, LTD., Head Office — Montreal
LONDON GUARANTEE & ACCIDENT COMPANY LTD., Fire Branch — Montreal
IMPERIAL ASSURANCE COMPANY OF NEW YORK, Head Office for Canada — Montreal
COLUMBIA INSURANCE COMPANY OF NEW JERSEY, Head Office for Canada — Montreal
UNITED FIREMEN'S INSURANCE COMPANY OF PHILADELPHIA, Head Office for Canada — Montreal
UNION MARINE & GENERAL INSURANCE COMPANY, LTD. OF LIVERPOOL, ENGLAND, Head Office for Canada — Montreal

CASUALTY & AUTOMOBILE BRANCH -- 465 Bay Street, Toronto
Casualty Manager, GEO. WEIR

Combined Funds (Including Life Funds) Over £34,000,000
FIRE - LIFE - ACCIDENT - MARINE
SPRINKLER LEAKAGE - EXPLOSION - EARTHQUAKE - RIOT & CIVIL COMMOTION

HAIL VOLUME SHOWS INCREASES, LOSSES LOWER

Federally Licensed Companies Show Net Premiums of $921,000

Federally licensed joint stock companies found welcome relief from the losses of previous years in the hail experience of 1932.

Improvement in crops enabled the companies to almost double the premium volume of the previous year although the total of net premiums written of $921,000 in 1932, is still far below the high figure of earlier years.

Ratio of losses incurred to net premiums written was 36 per cent for all companies licensed under the federal insurance department at Ottawa as compared with the corresponding ratio of 83.7 per cent in 1931.

(A)—Group Experience:

	Net Premiums Written $	Net Losses Incurred $	Ratio %
Aetna			
Aetna	23,801	8,084	34.0
Alliance of Phil.	None	None	....
Ins. of N. A.	37,242	7,935	21.3
Spring. F. & Mar.	32,587	8,146	25.0
Sentinel	931	233	25.0
World F. & Marine	13,440	1,451	10.8
	108,001	25,849	23.9
Canadian Fire			
Can. Fire	5,614	2,544	45.3
Can. Indem.	28,335	12,778	45.1
	33,949	15,322	45.1
Continental			
Continental Ins.	20,256	7,016	34.6
Fidelity Phoenix	10,513	10,034	95.4
First American	5,288	639	12.1
Maryland	32,341	12,495	38.6
Niagara	27,910	14,221	50.9
	96,308	44,405	46.1
Hartford			
Hartford Fire	86,472	27,019	31.2
Citizens of N. J.	31,878	12,642	39.7
London-Canada	None	None	....
N. Y. Underwrit.	2,161	680	31.5
	120,511	40,341	33.5
Phoenix of Hartford			
Phoenix Ins.	54,912	17,085	31.1
Connecticut	33,137	10,306	31.1
Equitable Fire	6,627	2,063	31.1
Prov. of Washington	47,338	14,752	31.2
Reliance	None	None	....
Westchester	47,338	14,727	31.1
	189,352	58,933	31.1
Royal Exchange			
Car & General	10,239	3,060	29.9
Royal Exchange	13,335	5,673	42.5
State	3,031	2,372	78.3
	26,605	11,105	41.7
St. Paul F. & M.			
St. Paul F. & M.	39,628	11,075	27.9
Mercury	2,441	416	17.0
	42,069	11,491	27.3
(B)—Individual Companies:			
Alliance Ass.	17,288	5,443	31.5
Amer. Alliance	4,116	1,865	45.3
Bee Hail	9,667	3,882	40.2
Canada Security	13,076	4,200	32.1
Gen. Cas. of Paris	123,922	50,906	41.1
Globe & Rutgers	124	None	....
Great American	47,336	21,450	45.3
Home Ins.	51,415	21,429	41.7
London & Scottish	28,378	12,361	43.6
Michigan	3,724	931	25.0
Natl. Union Fire	5,342	1,301	24.3
Grand Total, 1932.	921,183	331,214	36.0
1931.	573,997	480,377	83.7

BURGLARY

(Dominion Licensed Companies)
(A)—Group Experience:

	Net Premiums Written $	Net Losses Incurred $	Ratio %
American Surety Group			
Canadian Surety	20,599	10,525	51.1
New York Cas.	None	-119	....
	20,599	10,406	50.5
British-Amer.-Western Group			
British Amer.	7,541	2,524	33.5
British Can.	2,951	1,286	43.6
British Empire	3,974	1,466	36.9
Imp. Guar. & Acc.	3,009	1,297	43.1
Western Assur.	17,018	6,684	39.3
	34,493	13,257	38.4
Canadian Fire Group			
Can. Fire	3,427	107	3.1
Can. Indemnity	51,130	25,470	49.8
	54,557	25,577	46.9
Canadian General Group			
Can. General	33,058	18,844	57.0
Tor. General*	7,904	5,193	65.7
	40,962	24,037	58.7
Commercial Union Group			
Canada Acc. & F.	19,905	7,772	39.0
Union Assur.	8,397	4,097	48.8
Com. Union Assur.	5,529	2,437	44.1
	33,831	14,306	42.3
Dom. of Canada Group			
Casualty Co.	16,564	7,802	47.1
Dom. of Can. Gen.	39,792	15,755	39.6
	56,356	23,557	41.8
General Accident Group			
Gen. Acc. of Can.	66,556	12,280	18.4
Gen. Acc., F. & L.	4,865	2,900	59.6
	71,421	15,180	21.2
London & Lancashire Group			
Law Union & Rock	5,770	3,997	69.3
Lon. & Lanc. G. & A.	14,539	8,889	61.1
	20,309	12,886	63.4
N. British & Mercantile Group			
North British	23,115	1,979	8.6
Occidental Fire	1,035	25	2.4
Railway Passengers	7,057	833	11.8
	31,207	2,837	9.0
Northern Group			
Lond. & Scottish	3,418	817	23.9
Northern Assur.	46,119	20,161	43.7
World Marine	12,630	4,500	35.6
	62,167	25,478	40.9
Norwich Union Group			
Canada Security	3,440	1,647	47.9
Norwich Union	23,501	5,519	23.5
	26,941	7,166	26.5
Phoenix—England Group			
Union Marine	5,301	3,822	72.1
London Guar. & Acc.	17,892	10,683	59.7
Phoenix Assur.	7,674	2,970	38.7
	30,867	17,475	56.6
Royal, Liverpool, L. & G. Group			
Globe Indem.	21,718	11,289	52.0
Liver. & L. & G.	7,408	4,161	56.2
Royal Insur.	83,079	37,366	45.0
	112,205	52,816	47.0
Sun Group			
Sun Insur. Office	6,032	2,033	33.7
Imper. Ins. Office	2,190	374	17.1
	8,222	2,407	29.2
United States Fidelity Group			
Fidelity Insur.	16,686	7,787	46.7
U. S. Fid. & Guar.	84,914	26,786	31.5
	101,600	34,573	34.0
Yorkshire Group			
London & Prov.	2,943	2,526	85.8
Yorkshire	19,106	15,744	82.4
	22,049	18,270	82.8

*Ontario licensed companies. Official figures.

	Net Premiums Written $	Net Losses Incurred $	Ratio %
(B)—Individual Companies			
Alliance Assur.	20,547	11,102	54.0
Amer. Surety	2,949	325	11.0
Br. Northwestern	1,311	419	32.0
Century Indem.	2,251	1,204	53.5
Century Insur.	15,972	-240	....
Continental Cas.	7,072	4,475	63.3
Employers' Liab.	78,157	12,472	16.0
Empl. Reinsur.	8,993	2,421	26.9
Federal*	3,958	271	7.0
Fidelity & Cas.	2,603	None	....
Gen. Cas. of Amer.	-663	330	....
Gen. Cas. of Paris	18,640	5,199	27.9
Grain Insur.	14,774	7,296	49.4
Guardian Ins.	31,932	14,730	46.1
Guildhall	1,812	114	6.3
Hartford Acc.	21,691	7,046	32.5
Indemnity Insur.	10,735	2,614	24.3
Legal & General	1,304	665	51.0
Lloyds Casualty	-510	1,005	....
Maryland Cas.	28,959	19,558	67.5
Metropolitan Cas.	3,849	1,539	40.0
National Surety	46,687	7,078	15.2
Nat. Union Indem.	-458	None	....
Northwest Cas.	444	85	19.1
Ocean Acc. & Gr.	34,514	19,942	57.8
Pearl	890	10	1.1
Portage la Prairie	2,637	1,154	43.8
Preferred Acc.	79	None	....
Prudential Assur.	8,001	2,938	36.7
Pilot*	1,465	101	7.0
Reliance of Can.	738	22	3.0
Royal Exchange	12,376	6,097	49.3
Travelers Indem.	96,870	24,986	25.8
Union of Canton	7,908	4,363	55.2
U. S. Guar.	1,664	63	3.8
Zurich	16,558	2,606	15.7
Grand Total, 1932.	1,221,168	456,648	37.4
1931.	1,344,134	462,633	34.4

Accident and Insurance Volume Down 10 per cent

Sickness Policies Show Heaviest Losses in 1932 — Other Loss Ratios Normal

A decline of roughly 10 per cent in premium volume is reported in the accident and sickness coverage according to figures released by the federal insurance department at Ottawa.

Apart from employers' liability and workmen's compensation coverage, the total volume of accident and sickness insurance written in Canada by federally licensed companies amounted in 1932 to approximately $7,428,000 as compared with $8,328,000 in 1931. Loss ratios on the basis of net losses incurred to net premiums written are slightly higher in each case with the exception of accident other than personal showed a remarkably low ratio at 32.5 per cent as compared with 44.7 in 1931.

Sickness Losses Heavy

Sickness insurance showed the heaviest losses with the ratio of almost 73 per cent with combined accident and sickness business showing a ratio of 66.5 per cent.

Personal Accident

(Dominion Licensed Companies)
(A)—Group Experience:

	Net Premiums Written $	Net Losses Incurred $	Ratio %
British Amer.-Western Group			
British America	13,103	6,971	53.2
Western Assur.	24,074	12,245	50.9
British Canadian	4,909	2,635	53.7
British Empire	10,737	5,729	53.4
Imperial G. & A.	101,514	59,528	58.6
	154,337	87,108	56.4
Commercial Union Group			
Canada Acc. & Fire	65,916	55,883	84.8
Union Ass Soc.	15,855	7,029	44.3
Comm. Union	6,694	2,050	30.6
	88,465	64,962	73.4
Dom. of Canada Group			
Cas. Co. of Can.	39,523	20,968	53.0
Dom. of Can. Gen.	282,602	139,900	49.5
	322,125	160,868	49.9
General Accident Group			
Gen. Acc. of Can.	101,452	47,415	46.7
Gen. Acc. F. & Life	15,691	8,886	56.6
Gen. Cas. of Paris	27,700	18,914	68.3
	144,843	75,215	51.9
London & Lancashire Group			
London & Lan. G. & A.	46,435	38,574	83.1
Law Union & Rock	8,750	4,986	57.0
	55,185	43,560	78.9
North British Group			
North British	15,556	17,325	111.4
Rly. Passengers	39,276	24,068	61.3
Occidental Fire	2,509	1,695	67.6
	57,341	43,088	75.1
Northern Group			
Lond. & Scottish	1,276	1,573	123.3
Northern Assur.	20,844	9,672	46.4
Scottish Metrop.	10,458	10,714	102.4
World Marine	6,443	1,623	25.2
	39,021	23,582	60.4
Norwich Union Group			
Canada Security	5,356	2,878	53.7
Norwich Union	49,824	31,518	63.3
	55,180	34,396	62.3
Phoenix England Group			
London G. & A.	66,366	20,260	30.5
Union Marine	8,076	3,278	40.6
Phoenix	5,194	1,081	20.8
	79,636	24,619	30.9
Royal Exchange Group			
Royal Exch Assur.	16,053	12,337	76.8
Car & Gen. Insur.	6,130	3,827	61.4
Motor Union Ins.	3,345	622	18.6
	25,528	16,786	65.7
Royal, Liver. & L. & G. Group			
Globe Indem.	102,151	64,949	63.6
Liver. & L. & G.	23,276	17,848	76.7
Royal Insur.	95,737	56,705	59.2
Hudson Bay Ins.	None	None	....
	221,164	139,502	63.0
Shaw & Begg Group			
Lloyd's Casualty	-9,226	-168	....
Consolidated	755	131	17.3
	-8,471	37	....
Sun Group			
Sun Insurance	7,790	2,138	27.4
Imp. Insurance	3,234	6,350	196.3
	11,024	8,488	76.9
U. S. Fidelity Group			
Fid. Ins. Co. of Can.	5,913	3,131	52.9
U. S. Fid. & Guar.	48,345	17,864	36.9
	54,258	20,995	38.6
Yorkshire Group			
London & Prov.	6,443	367	5.7
Yorkshire	42,538	13,791	32.4
	48,981	14,158	28.9

*Ontario licensed company. Official figures.

	Net Premiums Written $	Net Losses Incurred $	Ratio %
(B)—Individual Companies:			
Aetna Life	2,375	756	31.8
Alliance Assur.	33,334	14,223	42.7
Br. Northwestern	183	None	....
Century Indem.	1,774	7,510	423.3
Century Insce.	2,819	520	18.4
Can. General	490	12	....
Can. Indemnity	733	516	70.4
Confed. Life	2,451	2,500	102.0
Continental Cas.	241,021	100,326	41.6
Dominion Fire	None	None	....
Employers' Liab.	225,993	224,556	99.4
Fidelity & Cas.	351	40	11.4
Guildhall	3,144	1,283	40.8
Guardian Ins.	13,711	7,610	55.5
Hartford Acc.	14,246	21,912	153.8
Indemnity Insur.	13,223	2,823	21.3
Legal & General	173	None	....
Lumbermen's M. C.	1,617	50	3.1
Maryland Cas.	32,418	29,613	91.3
Metropolitan Cas.	4,500	3,548	78.8
Metropolitan Life	194,606	103,408	53.1
North Amer. Acc.	6,244	3,229	51.7
Ocean Acc. & Gr.	157,232	96,459	61.3
Preferred Acc.	17,346	6,681	38.5
Prudential Assur.	12,138	3,782	31.2
Travelers Insur.	504,140	256,414	50.9
Union of Canton	66,498	25,621	38.5
Zurich	34,780	14,797	42.5
Grand Total, 1932.	2,936,158	1,685,457	57.4
1931.	3,220,031	1,648,921	51.2

Other Accident

(Other than personal and workmen's compensation insurance).
(Dominion Licensed Companies)
(A)—Group Experience:

	Net Premiums Written $	Net Losses Incurred $	Ratio %
American Surety Group			
Can. Surety	15,283	6,004	39.3
N. Y. Casualty	None	64	....
	15,283	6,068	39.7
British Amer.-Western Group			
British Amer.	7,317	237	3.2
British Can.	2,216	68	3.1
British Empire	1,615	59	3.6
Imp. Guar. & Acc.	9,765	453	4.6
Western Assur.	14,645	526	3.6
	35,558	1,343	3.7
Commercial Union Group			
Can. Acc. & F.	29,339	3,406	11.6
Union Assur	7,387	982	13.3
Comm. Union	3,891	18	.5
	40,617	4,406	10.8
Dom. of Canada Group			
Dom. of Can. Gen.	19,246	2,530	13.1
Casualty Co.	6,249	721	11.5
	25,495	3,251	12.7
General Accident Group			
Gen. Acc. of Can.	118,381	48,034	40.6
Gen. Acc., F. & L.	8,040	78	1.0
	126,421	48,112	38.0
London & Lancashire Group			
Lon. & Lan. G. & A.	42,945	22,187	51.7
Law Union & Rock	22,691	8,077	35.6
	65,636	30,264	46.1
North British & Merc. Group			
North British & Merc.	11,978	3,518	29.4
Occidental Fire	359	24	6.7
Rly. Passengers	10,305	-748	....
	22,642	2,794	12.3
Northern Group			
Northern Assur.	18,340	6,667	36.3
Lond. & Scottish	4,269	-3,768	....
Scottish Metrop.	1,107	60	5.4
World Mar. & G.	8,433	2,843	33.7
	32,149	5,802	18.0
Norwich Union Group			
Canada Security	4,476	372	8.3
Norwich Union	22,423	9,778	43.6
	26,899	10,150	37.7
Phoenix England Group			
London G. & A.	21,248	8,281	39.0
Union Marine	4,221	1,998	47.3
Phoenix Ass.	3,482	458	....
	28,951	10,737	37.0
Royal Exchange Group			
Royal Exchange	20,140	3,586	17.8
Car & General	3,944	-4	....
Motor Union	428	396	92.5
	24,513	3,978	16.2
Royal-Liver. & L. & G. Group			
Globe Indem.	133,926	65,658	49.0
Liver. & L. & G.	6,068	-1,402	....
Royal Insur.	44,429	11,073	24.0
	184,423	75,329	40.8
Shaw & Begg Group			
Lloyd's Casualty	-5,412	1,466	....
Consolidated	26,279	6,902	26.3
	20,867	8,368	40.1
Sun Group			
Sun Insurance	3,562	224	1.3
Imperial Insur.	1,524	245	16.1
	5,086	469	9.2
U. S. Fidelity Group			
U. S. Fidelity	84,887	14,431	17.0
Fidelity Insur.	17,660	7,715	43.7
	102,547	22,146	21.6
Yorkshire Group			
Yorkshire Insur.	11,476	4,562	39.7
Lon. & Prov. Mar.	2,322	2,674	115.2
	13,798	7,236	52.4
(B)—Individual Companies:			
Alliance Assur.	14,069	1,216	8.6
Br. Northwestern	770	19	2.5
Can. General	59,715	35,362	59.2
Can. Indemnity	49,168	10,904	22.2
Century Indem.	5,808	35,391	609.3
Century Insce.	2,755	81	2.9
Continental Cas.	14,497	1,386	9.6
Employers' Liab.	130,540	20,461	15.7
Empl. Reinsur.	33,147	396	1.2
Fidelity & Cas.	1,499	462	30.8
Gen. Cas. of Amer.	-2,056	5,765	....
Gen. Cas. of Paris	10,721	2,888	26.9
Guard. Ins. of Can.	21,961	8,013	36.5
Guildhall	23,773	11,005	46.3
Hartford Acc.	15,686	8,253	52.6
Indemnity Insce.	12,194	1,533	12.6
Legal & General	95	None	....
Lumbermen's M. C.	3,143	1,141	36.3
Maryland Cas.	26,090	1,150	4.4
Merchants Cas.	1,556	363	23.3
Metropolitan Cas.	2,029	-101	....
Nat. Union Indem.	54	None	....
Ocean A. & Guar.	27,055	-1,518	....
Pearl	827	None	....
Preferred Acc.	9	None	....
Prudential Assur.	6,856	2,906	42.4
Trans. Canada	5,048	2,876	57.0
Travelers Indem.	8,623	4,755	55.1
Travelers Insur.	44,888	2,238	5.0
U. S. Guaranty	2,410	6,139	254.7
Union of Canton	96,916	37,260	38.4
Zurich	26,344	20,526	77.9
Wawanesa	1,806	107	5.9
Grand Total, 1932.	1,418,880	461,430	32.5
1931.	1,590,995	711,017	44.7

Accident & Sickness

(Dominion Licensed Companies)
(A)—Group Experience:

	Net Premiums Written $	Net Losses Incurred $	Ratio %
Shaw & Begg Group			
Consol. Fire	31,882	17,207	54.0
Lloyds Casualty	2	121	....
	31,884	17,328	54.4
Yorkshire Group			
Lon. & Prov. Mar.	1,385	1,000	72.2
Yorkshire Insur.	19,229	15,102	78.5
	20,614	16,102	78.1
(B)—Individual Companies:			
Aetna Life	33,183	31,307	94.3
Casualty Company	1,465	721	49.2
Confed. Life	19,918	14,069	70.7
Dom. of Can. Gen.	11,985	5,601	46.7
Empl. Reinsurance	9,798	6,532	66.7
Gen. Acc. of Can.	38,725	18,558	47.9
Gen. Acc., F. & L.	333	165	49.6
London G. & Acc.	26,479	14,041	53.0
London Life	172,144	134,805	78.3
Loyal Protective	258,473	167,359	64.8
Merchants' Cas.	202,285	86,121	42.6
Metropolitan Life	323,976	240,134	74.1
North Amer. Acc.	65,297	25,664	39.3
Protective Assoc.	394,295	296,630	75.2
Prudential Assur.	3,133	None	....
Prudential Insur.	4,876	1,345	27.6
Sun Insur. Office	192	160	83.3
Grand Total, 1932.	1,619,050	1,076,642	66.5
1931.	1,826,878	1,099,968	60.2

Sickness

(Dominion Licensed Companies)
(A)—Group Experience

	Net Premiums Written $	Net Losses Incurred $	Ratio %
British America-Western			
British America	4,551	2,676	58.8
British Canadian	2,950	1,820	61.7
British Empire	6,359	3,300	51.9
Imperial G. & A.	58,561	36,306	62.0
Western Assur.	10,268	5,759	56.1
	82,689	49,860	60.3
Commercial Union			
Canada Acc. & F	34,122	29,192	85.5
Union Assur. Soc.	7,137	5,571	78.1
Comm. Union Ass.	2,689	3,079	114.5
	43,948	37,842	86.1
Dom. of Canada			
Casualty Co. of C.	25,181	28,511	113.2
Dom. of Can. Gen.	138,241	102,776	74.3
	163,422	131,287	80.3
General Accident			
Gen. Acc. of Can.	59,852	44,217	73.9
Gen. Acc. F. & L.	6,938	6,076	87.6
	66,790	50,293	75.3
London & Lancashire			
Law Union & Rock	2,800	1,770	63.2
Lon. & Lan. G. & A.	23,093	15,075	65.3
	25,893	16,845	65.1
Northern			
London & Scottish	160	1,378	861.2
Northern Assur.	13,049	9,208	70.6
Scottish Metropol.	6,105	4,547	74.5
World Marine	7,100	5,659	79.7
	26,414	20,792	78.7
North British & Merc.			
North Brit. & B.	4,910	2,312	47.1
Occidental Fire	656	326	49.7
Railway Passengers	17,046	16,372	96.0
	22,612	19,010	84.1
Norwich Union			
Canada Security	3,028	2,285	75.5
Norwich Union	25,392	19,798	78.0
	28,420	22,083	77.7
Phoenix-England			
London G. & Acc.	21,927	11,161	50.9
Union Marine	3,606	3,375	93.6
Phoenix Ass.	1,418	464	32.7
	26,951	15,000	55.7
Royal Exchange			
Car & General	2,428	1,385	57.0
Royal Exchange	5,692	3,638	63.9
	8,120	5,023	61.9
Royal Liverpool L. & G.			
Globe Indemnity	69,014	47,632	69.0
Liv. & Lon. & Gl.	13,319	10,396	78.0
Royal Insurance	84,065	66,177	78.7
	166,398	124,205	74.6
Sun			
Sun Ins. Office	4,606	3,383	73.4
Imperial Ins. Off.	2,083	1,370	65.8
	6,689	4,753	71.1
U. S. Fidelity			
Fidelity Ins. of C.	3,547	2,366	66.7
U. S. Fid & Guar.	23,697	9,410	39.7
	27,244	11,776	43.2
(B)—Individual Companies			
Aetna Life	612	844	137.9
Alliance Assur.	30,220	22,566	74.7
British N'west	69	None	....
Continental Cas.	229,135	126,765	55.3
Employers' Liab.	98,591	77,563	78.7
Fidelity & Cas.	244	2,572	1,054.1
Gen. Cas. of Paris	18,102	13,870	76.6
Guardian Ins. of C.	3,541	3,292	93.0
Guildhall	1,015	1,213	119.5
Hartford Acc.	3,271	1,794	54.8
Legal & General	200	None	....
Maryland Cas.	14,062	8,777	62.4
Metropolitan Cas.	1,360	723	53.2
Metropolitan Life	41,386	44,341	107.1
N. Amer. Accid.	6,047	6,244	103.3
Ocean Acc. & G.	38,263	28,578	74.7
Preferred Acc.	880	1,074	122.0
Prudential Assur.	6,285	2,141	34.1
Royal Guardians	2,101	2,110	100.4
Travelers Ins.	138,999	102,523	73.7
Union of Canton	51,681	33,193	64.2
Zurich	70,080	54,981	78.4
Grand Total, 1932.	1,454,331	1,047,544	72.0
1931.	1,690,089	1,127,208	66.7

FIDELITY

Volume Well Maintained — 1932 Loss Ratio Shown at 50 p.c.

(Dominion Licensed Companies)
(A)—Group Experience

	Net Premiums Written $	Net Losses Incurred $	Ratio %
American Surety			
Canadian Surety	63,429	28,505	44.9
New York Cas.	None	-662	....
	63,429	27,843	43.9
British Am.-Western			
British America	18,507	226	1.2
British Canadian	6,694	1,850	27.6
British Empire	671	138	20.6
Imperial G. & Acc.	34,561	5,813	16.8
Western Assur.	4,669	-847	....
	65,102	7,180	11.0
Canadian Fire			
Canadian Fire	3,365	None	....
Canadian Indem.	52,749	5,546	10.5
	56,114	5,546	9.9
Dominion of Canada			
Casualty Company	4,514	-1,025	....
Dom. of Can. Gen.	98,676	36,116	36.6
	103,190	35,091	34.0
North British & Merc.			
North Brit & M.	8,700	642	7.4
Railway Passeng.	5,168	5,732	110.9
	13,868	6,374	46.0
Northern			
Northern Assur.	3,582	1,221	34.1
Scottish Metropol.	506	1,160	229.2
World Mar. & G.	753	630	83.7
	4,841	3,011	62.2
Norwich Union			
Canada Security	2,687	1,994	74.2
Norwich Union	12,398	6,251	50.4
	15,085	8,245	54.7
Phoenix-England			
Lond. G. & Acc.	49,939	14,717	29.5
Phoenix	416	None	....
Union Marine	145	None	....
	50,500	14,717	29.1
Royal, Liver., London & Globe			
Globe Indemnity	7,040	10,781	153.1
Liver. & Lon. & G.	3,681	-3,123	....
Royal Insurance	15,989	12,828	80.2
	26,710	20,486	76.7
Sun			
Sun Insur. Office	873	-785	....
Imperial Ins. Off.	334	590	176.6
	1,207	-205	....
U. S. Fidelity			
Fidelity Insurance	23,440	6,724	28.7
U. S. Fidel. & Gr.	189,055	165,358	87.5
	212,495	172,082	81.0
Yorkshire			
London & Pr. Mr.	286	763	266.8
Yorkshire	2,045	1,824	89.2
	2,331	2,587	111.0
(B)—Individual Companies			
Alliance Assur.	5,127	170	3.3
American Surety	10,652	752	7.1
Canada Accident	40,384	12,000	29.7
Can. General	34,355	21,364	62.2
Century Indem.	263	None	....
Century Insur	2,183	2,456	112.5
Employers' Liab.	112,886	60,397	53.5
Employ. Reinsur.	6,714	None	....
Fidelity & Cas	99	None	....
Gen. Acc. of Can.	22,850	13,956	61.1
Gen. Cas. of Paris	1,786	295	16.5
Grain Insurance	53,087	24,375	45.9
Guar. Co. of N. A.	117,615	46,884	39.8
Guardian of Can.	34,737	28,110	80.9
Hartford Acc.	1,799	81	4.5
Indem. Ins. of N.A.	13,451	1,035	7.7
Intl. Fidelity	4,700	633	13.5
Law Union & Rock	989	111	11.2
Lloyd's Casualty	-4,084	16,695	....
Lond. & Lanc. G. & A	12,282	8,197	66.7
Metro. Casualty	269	None	....
Maryland Cas.	20,924	2,234	10.7
National Surety	74,326	39,558	53.2
Ocean A. & Guar.	19,136	17,158	89.7
Pearl	256	None	....
Prudential Ass.	1,007	None	....
Royal Exchange	12,622	14,150	112.1
Union of Canton	1,399	296	21.2
Grand Total, 1932.	1,216,686	613,824	50.4
1931.	1,341,335	638,765	47.6

SURETY

Low Level of Construction Activity Cuts Volume — Losses Higher

(Dominion Licensed Companies)
(A)—Group Experience

	Net Premiums Written $	Net Losses Incurred $	Ratio %
British Amer.-Western			
British America	6,086	863	14.2
British Empire	743	74	10.0
Imp. Guar. & Acc.	7,747	981	12.7
Western Assur.	5,058	667	13.2
	19,634	2,585	13.2
Canadian Fire			
Canadian Fire	5,674	None	....
Can. Indemnity	56,469	7,805	13.8
	62,143	7,805	12.6
Dominion of Canada			
Casualty Co. of Can.	1,035	1,515	146.4
Dom. of Can. Gen.	9,820	8,901	90.6
	10,855	10,416	96.0
London & Lancashire			
Law Union & Rock	638	13	2.0
Lond. & Lanc. G. & A.	19,620	73,034	372.2
	20,258	73,047	360.6
Northern			
Northern Assur.	4,503	-3,767	....
Scottish Metrop.	205	336	163.9
World Mar. & Gen.	401	-734	....
	5,109	-4,169	....
North British & Mercantile			
North Brit. & M.	1,308	None	....
Rly. Passengers	971	170	17.5
	2,279	170	7.4
Norwich Union			
Canada Security	632	1,144	181.0
Norwich Union	6,777	-43	....
	7,409	1,101	14.9
Phoenix-England			
Lon. Gr. & Acc.	34,044	138	0.4
Union Marine	15	None	....
Phoenix Ass.	1,004	None	....
	35,063	138	0.4
Royal, Liver. London & Globe			
Globe Indemnity	5,765	5,474	95.0
Liver. & Lon. & Globe	783	5,801	740.9
Royal Insurance	23,824	20,000	83.9
	30,372	31,275	103.0
Shaw & Begg			
Consolidated F.	6,239	906	14.5
Lloyd's Cas.	-11	None	....
	6,228	906	14.5
Sun			
Sun Ins. Office	599	-1,070	....
Imp. Ins.	355	5,217	1,469.6
	954	4,147	434.7
United States Fidelity			
Fidelity Insur.	25,809	19,272	74.7
U. S. Fidel. & G.	113,576	22,799	20.1
	139,385	42,071	30.2
Yorkshire			
London & Prov.	None	-3,482	....
Yorkshire	1,917	56	2.9
	1,917	-3,426	....

(B)—Individual Companies

	Net Premiums Written $	Net Losses Incurred $	Ratio %
Aetna Casualty	34,343	604	1.8
Alliance Assur.	1,060	1,970	185.8
American Surety	13,780	54,796	397.6
Canada Accident	17,448	-35,955	....
Can. Surety	76,598	32,697	42.7
Century Indem.	243	1,016	418.1
Century Insce.	1,804	None	....
Can. General	57,820	5,678	9.8
Employers' Liab.	26,792	-968	....
Employ Reinsur.	8,735	None	....
Fidelity & Cas.	34	None	....
Gen. Acc. of Can.	33,114	31,255	94.4
Gen. Cas. of Paris	259	45	17.4
Guard. of N. A.	20,223	26,600	131.5
Guardian of Can.	7,141	-204	....
Hartford Acc.	951	None	....
Maryland Cas.	6,338	30,304	478.1
National Surety	38,302	19,037	49.7
Ocean A. & Guar.	6,409	-407	....
Pearl	282	None	....
Prudential Assur.	272	133	49.0
Royal Exchange	15,302	6,472	42.3
Grand Total, 1932.	708,856	339,143	47.8
1931.	1,162,636	347,858	34.2

PLATE GLASS

Volume Well Maintained and Loss Ratio Slightly Higher

(Dominion Licensed Companies)
(A)—Group Experience

	Net Premiums Written $	Net Losses Incurred $	Ratio %
British America-Western			
British America	3,818	1,128	34.0
British Canadian	2,152	595	27.6
British Empire	871	374	42.9
Imp. Guar. & Acc.	1,333	492	36.9
Western Assur	3,992	1,528	38.3
	11,666	4,117	35.3
Eagle Star			
British Crown	-3,269	76	....
Eagle Star	4,698	3,100	66.0
	1,429	3,176	222.3
Commercial Union			
Canada Accident	13,812	4,693	34.0
Com. Union Assur.	2,320	1,336	57.6
Union Assurance	1,583	578	36.5
	17,715	6,607	37.3
Norwich Union			
Canada Security	3,500	1,937	55.3
Norwich Union	17,617	7,358	41.8
	21,117	9,295	44.0
Canadian Fire			
Canadian Fire	5,264	779	14.8
Canadian Indemnity	10,300	6,194	60.1
	15,564	6,973	44.8
American Surety			
Canadian Surety	10,063	3,702	36.8
New York Casual.	None	163	....
	10,063	3,864	38.4
Dominion of Canada			
Casualty Co.	21,490	11,966	55.7
Dom. of Can. Gen.	24,061	10,339	43.0
	45,551	22,305	49.0
Shaw & Begg			
Consolidated	5,849	3,164	64.1
Lloyd's Casualty	-621	1,967	....
Federal*	4,737	471	9.9
	9,965	5,602	56.2
Massey & Renwick			
Dominion Fire	3,372	1,926	57.1
Metropolitan Cas.	753	275	36.5
	4,125	2,201	53.4
U. S. Fidelity			
Fidelity Insurance	4,361	2,628	60.3
U.S. Fidelity & G.	9,925	3,008	30.3
	14,286	5,636	39.5
General Accident			
Gen. Acc. of Can.	25,682	11,243	43.8
Gen. Acc. Fire & Life	4,057	1,852	45.7
	29,739	13,095	44.0
Royal, Liverpool, London & Globe			
Globe Indendity	5,268	1,931	36.7
Liverp'l & L. & G.	3,438	1,206	35.1
Royal Insurance	12,346	5,365	43.5
	21,052	8,502	40.4
Century			
Anglo Scottish	1,457	551	37.8
Century Ins.	3,017	2,542	84.3
Southern Ins.	1,305	212	16.3
	5,779	3,305	57.2
London and Lancashire			
Law Union & Rock	3,835	2,809	73.3
Lon. & Lanc. G. & A.	14,821	5,896	39.8
Hand-in-Hand*	3,163	1,074	34.0
	21,819	9,779	45.0
Can. General			
Can. General	8,155	3,943	48.4
Tor. General*	4,078	1,811	44.4
	12,233	5,754	46.2
Sun			
Sun Insurance	1,662	592	35.6
Imperial Ins.	5,308	2,712	51.1
	6,970	3,304	47.4
Phoenix-England			
Lon. Guar. & Acc.	4,044	1,190	29.4
Union Marine	1,852	1,179	63.7
Phoenix Ass.	1,265	46	3.6
	7,161	2,415	33.7
Yorkshire			
London and Prov.	258	106	41.1
Yorkshire	9,452	4,899	51.8
	9,700	5,005	51.6
Northern			
Scottish Metrop.	1,223	771	63.0
London and Scot.	1,851	268	14.5
Northern Assur.	17,406	7,104	40.8
World Mar. & G. In.	7,801	2,462	31.6
	28,281	10,605	37.5
North British			
North British	4,325	1,568	36.3
Occidental Fire	540	246	45.6
Railway Pass.	6,261	3,150	50.3
	11,126	4,964	44.6
(B)—Individual Companies			
Alliance Ass.	6,809	2,892	42.5
Br. Northwestern	202	51	25.3
Century Indem.	867	639	78.7
Continental Cas.	9,601	5,167	53.8
Employers' Liab.	14,698	4,592	31.2
Fidelity & Casualty	57	None	....
Gen. Cas. of Paris	7,290	3,318	45.5
Gen. Cas. of Amer.	1,568	1,328	84.7
Great American	39,861	30,214	75.8
Guard. Ins. of Can.	8,503	4,161	48.9
Guildhall	2,127	926	43.5
Halifax	7,507	4,227	56.3
Hartford Acc.	4,770	1,870	39.2
Indemnity Insur.	4,326	1,713	39.6
Legal & General	747	71	9.5
Lumbermen's Mut.	6,148	2,363	38.4
Maryland Cas	5,166	2,358	45.6
Motor Union	1,244	529	42.5
National Prov.	8,034	5,896	73.4
National Surety	417	121	29.0
Nat'l Union Ind.	None	77	....
Ocean Acc. & G.	56,979	20,884	36.7
Pilot*	1,304	332	25.5
Portage La Prairie	2,167	426	19.7
Provident*	6,602	4,587	69.5
Prudential Ass.	4,596	2,562	55.7
Trans-Canada	2,126	3,814	179.4
Travelers Indem.	11,612	5,748	49.5
Union of Canton	6,791	1,698	25.0
Zurich	6,081	3,168	52.1
Grand Total, 1932.	513,667	243,843	47.5
1931.	585,437	249,715	42.7

*Ontario licensed companies. Official figures

Earthquake Insurance

EARTHQUAKE INSURANCE
(Dominion Licensed Companies)

	Net Premiums Written $	Net Losses Incurred $	Ratio %
Aetna Insurance	226	None	....
American Alliance	60	None	....
Citizens	506	None	....
Connecticut Fire	116	None	....
Continental Insur.	184	None	....
Country Fire	15	None	....
Equitable Fire	23	None	....
Globe and Rutgers	261	None	....
Great American	678	None	....
Hartford Fire	8	None	....
Home Insurance	1,201	None	....
Insur. Co. of N. A.	57	None	....
Liverp'l & L. & G.	410	None	....
Niagara	72	None	....
Pacific Coast	-2	None	....
Phoenix Assurance	1,360	None	....
Phoenix Insurance	193	None	....
Royal Insurance	810	None	....
St. Paul Fire	700	None	....
Scottish Union	300	None	....
Sun Insur. Office	150	None	....
Travelers Fire	278	None	....
Westchester	-95	None	....
World Fire & Mar.	32	None	....
Total for 1932	6,946	None	....
1931	10,233	None	....

THE PRUDENTIAL ASSURANCE COMPANY LIMITED OF LONDON ENGLAND
LIFE FIRE CASUALTY

ANOTHER YEAR OF PROGRESS!

The Largest Insurance Organization in the British Empire — Established 1848

EXTRACT FROM THE EIGHTY-FOURTH ANNUAL REPORT

YEAR ENDING 31st December, 1932

	1932	1931
Premium Income	$ 166,270,115	$ 160,820,775
Total Income	236,934,339	226,453,041
Total Assets of All Branches Exceed	1,283,000,000	1,240,000,000
Payments to Policyholders in 1932	115,241,735	109,898,500
Total Claims Paid Exceed	1,960,000,000	1,850,000,000
Life Policyholders share of Surplus for 1932	30,110,602	20,801,875
New Life Sums Assured	403,366,374	428,862,606
Total Life Sums Assured in Force	3,504,986,635	3,468,099,700

Converted — $4.86⅔ to £.

Head Office for Canada, MONTREAL

Offices for all classes of Insurance in Montreal, Toronto, Hamilton, Windsor, Chatham and Quebec.
Fire & Casualty Branch Office in Winnipeg, Manitoba, and Agencies throughout Canada.

A $50 Fire can do $50,000 water damage without sprinkler supervision

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A sprinkler system is the best means of preventing serious fires. But a Sprinkler System may cause many thousands of dollars worth of damage by water.

With our Sprinkler Supervisory Service the operation of the Sprinkler System becomes practically perfect. When a fire occurs and the water is released, the D.E.P. Central Station receives the signal . . . . The fire department is flashed the alarm . . . . The D.E.P. officers speed to the scene and the property owner's interests are protected.

Should any trouble occur in the Sprinkler, the Central Station is apprised through a distinctive signal.

Fire Underwriting Boards accept the D.E.P. Sprinkler Supervisory Service in place of a watchman's service nights, Sundays and holidays.

Other Dominion Protective Systems: Burglar Alarm Systems, Automatic and Manual Fire Alarms, Night Watch Patrol Systems.

Where Central Station Service is not available we are prepared to install Local Systems connected to the Fire or the Police Department.

DOMINION ELECTRIC PROTECTION COMPANY

Central Stations located at

TORONTO MONTREAL QUEBEC OTTAWA
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DOMINION PROTECTIVE SYSTEMS

New York Fire Insurance Co.
Established 1832

Corroon & Reynolds (CANADA) INCORPORATED

American Equitable Assurance Co.

Merchants and Manufacturers Fire Insurance Co.
Established 1849

December 31st, 1932	American Equitable Assurance Company (A)	Knickerbocker Insurance Company	New York Fire Insurance Company (A)	Merchants & Manufacturers Fire Insurance Company (A)	Globe & Republic Insurance Company
ASSETS					
Cash in Banks	$ 1,016,697.53	$ 511,472.66	$ 549,577.21	$ 371,032.74	$ 616,917.96
Bonds and Stocks (b)	9,438,348.98	4,238,285.00	5,233,694.53	3,372,192.57	5,681,178.27
Premiums and Accounts Receivable	460,981.07	33,112.69	402,453.03	213,572.21	442,744.86
Real Estate	....	....	....	....	375,705.13
Mortgage Loans	128,950.00	229,775.00	273,650.00	....	24,500.00
Reinsurance Receivable	76,328.27	48,501.43	1,851.03	1,434.30	7,218.71
Accrued Interest	35,179.55	17,937.83	29,400.08	18,473.91	28,066.64
Total Assets	11,156,485.40	5,079,084.61	6,490,625.88	3,976,705.73	7,176,331.57
LIABILITIES					
Reserve for Unearned Premium	4,753,259.27	1,661,013.55	2,260,291.14	1,562,260.04	3,058,040.95
Reserve for Losses	777,866.94	272,680.87	367,770.84	255,127.93	497,742.18
Reserve for all other Liabilities	194,686.54	34,623.06	46,388.07	199,276.97	62,161.94
Reserve for Contingencies	2,015,326.04	1,046,304.65	1,208,468.24	150,009.33	1,017,224.33
CAPITAL	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00
SURPLUS	2,415,346.61	1,064,462.48	1,607,707.59	810,031.46	1,541,162.17
Total Liabilities	11,156,485.40	5,079,084.61	6,490,625.88	3,976,705.73	7,176,331.57

Capital, Reserve for Contingencies and Surplus $17,876,042.90

(a) Companies of the Group licensed by the Dominion Government of Canada.
(b) Using valuations of National Convention of Insurance Commissioners.

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Automobile Figures Improve in Past Year

Shaw, Begg Group Again Leads Field In Auto Volume

Absorption of Consolidated Fire in 1932 Gives Ontario Non-Tariff Organization Margin For Second Year

COMPANY AND GROUP RANKING SHOWN

Many Changes Noted in 1932 Among Leading Underwriters in Automobile Field in Canada—Volume of 14 Per Cent Loss Ratio Improves

The Shaw & Begg management group of Toronto again led all company "groups" and independent underwriters in the automobile business in Canada, on the basis of net premiums written in 1932, according to the annual analysis prepared by The Financial Post. Shaw & Begg was the only group or organization in the business to write over a million dollars worth of automobile insurance business in Canada in 1932, the survey shows. Net premium volume for the seven companies in the group was 47.7 per cent on the basis of losses incurred to premiums earned. The figures include the experience of the provincially-licensed Wellington Fire and also the business of Consolidated Fire, absorbed by Shaw & Begg during the year. Figures are on the basis of official government returns.

Next comes the Royal-Liverpool group which ranked second in premium volume with net premiums of $835,000. It is interesting that without including the Consolidated Fire business — taken over in November, 1932—Shaw & Begg volume topped that of Royal-Liverpool by the narrow margin of $1,990. Third ranking group was British-America-Western with a net volume in automobile premiums of $682,570 and an earned loss ratio of 42.6 per cent.

Leading individual company is Pilot Insurance of Toronto which alone rolled up total premiums amounting to $530,650. This figure is within $2,000 of the total net premiums written in 1932 by American Automobile Insurance Co. leading individual company in the Shaw and Begg group. Pilot ranks sixth among all group and individual companies for 1932. It is licensed by the Ontario Insurance Department at Toronto and on the basis of official figures received from that department by The Financial Post, had a loss ratio on an earned basis of 44.6 per cent last year.

All figures are from official Government records, the majority being from the abstract summaries released last week by G. D. Finlayson, federal superintendent of insurance at Ottawa. Figures for provincially-licensed companies have been obtained where necessary to complete company groups and so forth. These have all been analyzed and reclassified by The Financial Post in order to give readers a comprehensive picture of the actual experience of management or company "groups" as well as the experience of individual companies, operating in this field in Canada in 1932. Out of some companies whose experience has thus been analyzed in 1932, some organizations operated either under management or company groups, and the remaining as individual companies.

Changes Among Leaders in 1932

A glance at the ten leading companies or "groups" as summarized in the tabulation below shows some interesting changes during the year. Canadian General group (including the provincially-licensed Toronto General Insurance Co.) has risen from sixth to fourth place in the twelvemonth, having passed both the Dominion of Canada General and Employers' Liability Assurance in the process. Pilot Insurance as noted above is now in sixth place having moved up from eighth place in 1931. Vance C. Smith's Lumber Mutual group has soared from 18th to 9th place with a volume of premiums written this year of $419,000 against $382,000 in 1931. Phoenix-England is in eighth place this year while General Accident group comes into tenth position a gain of one from the 1931 record. Another important gain is the increase in volume by Portage La Prairie which increased net premium income from less than $78,000 a year ago to just over the $300,000 mark in 1932. It now ranks 21st on The Post's list. Trans-Canada Insurance Co. at tenth place a year ago has dropped to 24th with a considerably restricted volume of premiums.

Taken as a whole, premium volume in the automobile field declined roughly 14 per cent. Total volume of business written (net premiums) by federally-licensed companies amounted to $14,464,120 against a corresponding figure in 1931 of $16,825,000. Loss ratio on an earned premium basis for all companies writing under federal registry was 46.89 per cent compared with 56.3 per cent the previous year and an average over the three-year period 1930-32 inclusive of 53.7 per cent.

Net Premiums Written

("G" indicates group figure)

	1932 $	1931 $
Shaw & Begg (G) ...	1,131,130	1,109,501
Royal-Liverpool (G) .	834,896	1,024,593
Br. Amer.-Western (G)	682,570	802,534
Can. General (G)	639,872	585,801
D. of Canada (G)	560,521	680,677
Pilot Insurance	530,650	541,938
Employers' Liab. (G)	525,969	616,251
Phoenix-England (G)	464,103	572,408
Lumber. Mut. (G) ...	419,114	381,796
Gen. Accident (G) ...	400,219	471,368
Travelers (G)	385,950	494,344
Norwich Union (G)..	382,458	444,544
Halifax Fire	379,032	239,141
Provident	375,989	371,866
Comm. Union (G) ...	365,081	432,420
London Ass. (G)	363,421	330,998
Ocean Accident	354,351	433,199
Century (G)	348,677	375,944
Lond. & Lanc. (G) ..	337,798	387,312
General Exchange ...	303,743	390,138
Portage la Prairie ...	300,100	77,683
Canadian Fire (G) ..	296,317	361,952
Royal Exchange (G).	272,774	315,190
Trans-Canada	254,824	472,068
Home	252,136	299,591

	Net Premiums Written 1932 $	Net Premiums Earned 1932 $	Net Losses Incurred 1932 $	Ratio (Losses Incurred to Prems. Earned) 1932 %	1931 %
1. Shaw & Begg Group	1,131,130	1,243,907	593,734	47.7	...
2. Royal Liver. L. & Globe Group ..	834,896	921,190	434,923	47.2	55.3
3. Br. Amer. Western Group	682,570	736,485	313,797	42.6	45.8
4. Can General Group	639,872	618,992	282,197	45.6	51.8
5. D. of Canada Group	560,521	624,741	265,526	42.5	41.1
6. Pilot Ins. Co.	530,650	545,472	243,129	44.6	55.7
7. Employers' Liab. Group	525,969	563,012	264,579	47.0	56.2
8. Phoenix-England Group	464,103	493,751	256,649	49.9	61.3
9. Lumbermen's Group	419,114	400,230	131,943	33.0	38.6
10. Gen. Accident Group	400,219	434,565	141,260	32.5	48.8
11. Travelers Group	385,950	425,515	152,662	35.7	69.2
12. Norwich Union Group	382,458	411,198	209,584	51.0	50.3
13. Halifax	379,032	308,988	127,661	41.3	66.2
14. Provident	375,989	402,612	227,305	55.4	...
15. Comml. Union Group	365,081	398,266	194,943	48.9	53.5
16. London Ass. Group	363,421	350,808	175,316	50.0	55.2
17. Ocean Accident	354,351	395,209	160,773	40.7	60.5
18. Century Group	348,677	362,238	176,043	48.6	52.5
19. Lond. & Lancashire Group	337,798	364,878	187,920	51.6	50.1
20. General Exchange	303,743	331,212	132,819	40.1	53.1
21. Portage La Prairie	300,100	204,661	125,919	61.5	42.0
22. Canadian Fire Group	296,317	331,499	151,581	45.7	49.2
23 Royal Exchange Group	272,774	288,939	168,188	58.2	53.0
24. Trans-Canada	254,824	377,722	192,460	50.9	71.5
25. Home Group	252,136	275,010	188,284	68.5	69.3
26. North British Group	246,581	294,039	115,901	39.4	76.3
27. Union of Canton Group	233,730	261,582	111,838	42.7	53.0
28. Willis Faber Group	231,495	236,816	94,198	39.8	48.6
29. Northern Group	224,043	254,743	115,445	45.3	48.7
30. Zurich	220,716	241,625	106,922	44.2	47.1
31. Guardian	213,462	228,214	116,092	50.9	49.1
32. St. Paul Group	206,708	192,069	112,899	58.8	58.2
33. U. S. Fidelity Group	203,330	251,520	163,962	65.2	70.9
34. Globe & Rutgers Group	199,641	228,272	103,778	45.5	60.4
35. Hartford Group	174,771	187,246	88,653	47.3	48.1
36. T. Muenier Group	158,031	148,780	61,620	41.4	70.5
37. Yorkshire Group	140,507	158,136	61,827	39.1	46.7
38. Union F. of Paris	129,990	84,874	53,814	63.4	58.6
39. North American Group	128,792	121,920	84,721	69.5	56.2
40. Glens Falls	117,333	70,497	49,186	69.8	38.8
41. Alliance Ass.	116,717	131,899	45,744	34.7	66.8
42. W. H. Burgess Group	110,235	116,670	56,763	48.6	34.5
43. Massey & Renwick Group	107,463	118,639	46,472	39.2	54.5
44. Continental Cas.	105,918	90,372	63,430	70.2	41.8
45. Sun Group	104,752	115,500	48,616	42.1	42.1

Group and Company Automobile Experience, 1932

(Abstract of Federal Licensed Companies Ranked in Order of Net Premiums Written)

	Net Premiums Written $	Net Premiums Earned $	Net Losses Incurred $	Ratio Losses Inc. to Prems. Earned 1932	1931	(1930-32 incl.)
Shaw & Begg Group						
American Auto Fire	210,283	232,371	66,210	28.49	36.0	37.33
American Auto Ins.	532,850	556,060	323,395	58.16	59.6	60.51
Consolidated	294,244	277,404	134,651	48.54	*	50.78
Lloyds' Casualty	1,323	72,654	38,768	53.36	56.1	66.61
New Jersey	3,318	3,679	2,084	56.65	72.2	72.60
Stuyvesant Insur.	13,223	41,648	10,316	24.77	50.8	51.89
Wellington	76,389	60,091	18,310	30.46	25.3	....
Total	1,131,130	1,243,907	593,734	47.73	52.2	....
*Not in group in 1931.						
Royal Liverpool & L. & G. Group						
(a) Royal						
Newark Fire	27,656	29,163	5,420	18.59	23.2	30.66
Queen Insurance	34,254	43,054	9,809	22.78	50.0	53.96
Royal Insurance	356,548	407,597	230,498	56.55	58.7	63.98
	418,458	479,814	245,727	51.21	55.6	....
(b) Liverpool & L. & G. Group						
Central Ins.	27,118	23,059	15,618	67.71	53.0	57.59
Globe Indemnity of Canada	231,956	249,415	120,255	48.21	58.8	54.15
Liverpool & L. Globe Ins..	127,018	135,775	43,513	32.05	52.0	46.26
Liverpool-Manitoba	30,346	33,127	9,810	29.61	39.9	40.64
	416,438	441,376	189,196	42.87	54.9	....
Total	834,896	921,190	434,923	47.21	55.3	....
British-America-Western Group						
British America Assce. ..	171,063	196,450	83,919	42.72	45.1	43.83
British Canadian Ins.	54,325	58,879	24,990	42.44	49.3	45.79
British Empire Assce.	114,455	123,704	52,569	42.50	46.6	44.15
Imperial Guar. & Acc. ...	83,603	86,937	36,984	42.54	46.4	44.07
Western Assurance	259,124	270,515	115,335	42.64	45.2	72.18
Total	682,570	736,485	313,797	42.61	45.8	....
Dominion of Canada Group						
Casualty Co. of Canada .	94,878	107,443	55,871	52.00	53.7	53.81
D. of C. General	465,643	517,298	209,655	40.53	38.4	39.28
Total	560,521	624,741	265,526	42.50	41.1	....
Employers' Liability Group						
Employers' Liability Assur.	518,545	555,378	260,922	46.98	55.8	47.92
Merchants' Marine	7,424	7,634	3,657	47.90	83.4	57.49
Total	525,969	563,012	264,579	46.99	56.2	....
Canadian General Group						
Canadian General	328,693	313,163	167,693	53.55	62.7	58.08
Toronto General	311,179	305,829	114,504	46.0	52.7	....
Total	639,872	618,992	282,197	45.6	51.8	....
Phoenix-England Group						
London G. & A.	210,217	227,964	88,994	30.04	61.5	51.78
Phoenix Assurance	195,629	210,282	132,031	62.79	61.9	55.15
Union Mar. & General ...	58,226	55,450	25,624	46.21	57.2	51.91
Columbia	31	55	None	....	...	36.28
Total	464,103	493,751	256,649	49.95	61.3	....
Lumbermen's Group						
Lumbermen's Mutual Cas.	355,126	341,185	119,433	35.01	42.1	39.68
Central Manufac. Mutual.	63,988	59,045	12,501	21.17	19.2	22.07
Total	419,114	400.230	131,934	32.96	38.6	....
General Accident Group						
General Acc. of Can.	347,930	377,286	123,395	32.71	47.3	45.55
General Acc. F. & Life...	52,289	57,279	17,865	31.19	60.3	41.50
Total	400,219	434,565	141,260	32.51	48.8	....
Travelers Group						
Travelers Fire	63,352	69,099	23,144	33.49	51.6	41.99
Travelers Indemnity	322,598	358,416	129,518	36.14	72.1	62.04
Total	385,950	427,515	152,662	35.71	69.2	....
Norwich Union Group						
Canada Security	82,987	82,859	52,590	63.47	63.2	54.96
Norwich Union Fire	299,471	328,339	156,994	47.81	47.8	49.01
Total	382,458	411,198	209,584	50.97	50.3	....
Commercial Union Group						
Brit. General Ins.	20,797	21,430	7,849	36.63	30.3	46.60
Canada Acc. & Fire	175,366	193,754	92,592	47.79	55.1	49.60
Commer. Union Assur. ..	69,801	75,168	38,765	51.57	54.2	51.31
Palatine Insurance	43,094	48,109	23,826	49.53	52.7	48.91
Union Assurance Soc.	56,023	59,805	31,911	53.36	55.7	56.61
Total	365,081	398,266	194,943	48.95	53.5	....
London Assurance Group						
British Law Ins.	23,405	25,893	15,503	59.87	86.6	69.41
Guildhall Insurance	301,491	289,503	142,861	49.35	53.3	51.80
London Assurance	38,525	35,412	16,952	47.87	44.3	46.47
Total	363,421	350,808	175,316	49.97	55.2	....
Century Group						
Anglo Scottish Ins.	89,638	113,038	52,813	46.72	53.2	63.10
Century Insurance	83,414	114,707	52,813	46.04	60.8	57.75
Pacific Coast Fire	132,632	100,373	52,813	52.62	29.7	54.63
Southern Insurance	42,993	34,120	17,604	51.59	29.1	73.95
Total	348,677	362,238	176,043	48.60	52.5	....
London & Lancashire Group						
Hand-in-Hand	7,352	8,428	2,511	29.79	31.3	....
Law, Union & Rock	72,912	71,060	50,738	71.40	47.5	49.46
London & Lanc. Ins.	43,393	44,699	43,018	96.24	65.5	65.99
London & Lanc. G. & A...	206,256	231,782	88,211	38.06	48.9	48.76
Merchants	7,885	8,409	6,442	40.93	34.0	....
Total	337,798	364,378	187,920	51.57	50.1	....
Canadian Fire Group						
Canadian Fire Insur.	144,335	161,365	59,969	37.16	47.9	43.58
Canadian Indemnity	151,982	170,134	91,612	53.84	50.4	53.44
Total	296,317	331,499	151,581	45.73	49.2	....
Royal Exchange Group						
Car & General	42,538	43,856	23,382	53.32	48.9	52.86
Motor Union Ins.	56,050	66,188	26,873	40.60	46.6	45.72
Royal Exchange	128,702	132,788	95,271	71.75	59.4	61.72
United British	45,484	46,107	22,662	49.15	47.6	44.20
Total	272,774	288,939	168,188	58.21	53.0	....
Home Group						
Home Indemnity	63,447	57,168	50,740	88.76	69.4	82.12
Home Insurance	188,689	217,842	137,544	63.14	69.3	67.76
Total	252,136	275,010	188,284	68.46	69.3	....
North British Group						
North British & Mer.	105,900	152,112	53,048	34.87	84.9	59.06
Occidental Fire	52,898	51,315	17,906	34.89	79.0	50.96
Railway Passengers	87,783	90,612	44,947	49.60	62.9	53.50
Total	246,581	294,039	115,901	39.42	76.3	....
Union of Canton Group						
British Traders	68,666	78,543	35,695	45.45	44.7	45.38
China Fire	1,768	2,689	345	12.83	98.9	58.49
Union of Canton	163,296	180,350	75,798	42.03	55.9	47.66
Total	233,730	261,582	111,838	42.75	53.0	....
Willis Faber Group						
Cornhill Insur.	77,609	76,842	38,858	50.57	49.0	51.24
Provincial Insur.	153,886	159,974	55,340	34.59	48.5	47.60
Total	231,495	236,816	94,198	39.78	48.6	....
Northern Group						
London & Scottish Assce..	17,007	17,515	12,739	72.73	33.8	47.47
Northern Assurance	134,733	153,637	61,019	39.72	55.3	46.06
Scottish Metropolitan	42,633	47,993	27,493	57.29	44.4	49.43
World Marine & General..	29,670	35,598	14,194	39.87	33.3	48.98
Total	224,043	254,743	115,445	45.32	48.7	....
St. Paul Group						
Mercury Insurance	34,558	42,627	15,489	36.34	48.6	41.51
St. Paul Fire & Marine...	153,617	124,172	67,550	54.40	53.9	54.24
St. Paul-Mercury	18,533	25,270	29,860	118.16	83.4	92.02
Total	206,708	192,069	112,899	58.78	58.2	....
U. S. Fidelity Group						
Fidelity Ins. of Can.	84,704	98,353	57,536	58.50	73.7	63.01
U. S. Fidelity & Guar.....	118,626	153,167	106,426	69.48	69.4	68.40
Total	203,330	251,520	163,962	65.10	70.9	....
Globe & Rutgers Group						
Globe & Rutgers	195,710	225,682	101,413	44.94	59.8	53.51
Insurance Co. of Penna...	3,931	2,590	2,365	91.31	21.4	77.86
Total	199,641	228,272	103,778	45.46	60.4†	....
† Includes experience from Virginia Fire, not writing in 1932.						
Hartford Group						
Hartford Acc. & Ind.	103,746	109,473	56,273	51.40	48.8	56.73
Hartford Fire	24,526	27,364	12,676	46.32	31.6	39.61
London-Canada Ins.	46,499	50,409	19,704	39.09	56.4	48.67
Total	174,771	187,246	88,653	47.35	48.1	....
T. Muenier Group						
Brit. Colonial Fire	158,031	148,780	66,620	44.78	68.4	58.94
Const. Indemnity of Phila.	None	None	5,000	....	...	193.85
Total	158,031	148,780	61,620	41.42	70.5	....
General of America Group						
First National of Amer. ..	529	26,304	8,922	33.92	63.7	49.87
General Cas. of America..	87,866	138,092	70,202	50.84	79.8	66.57
General Ins. of America..	60,055	64,027	23,153	36.16	58.5	55.26
Total	148,450	228,423	102,277	44.78	72.2	....
Yorkshire Group						
London & Prov.	16,175	17,439	7,871	45.13	28.0	47.86
Yorkshire Insurance	124,332	140,697	53,956	38.35	48.8	51.53
Total	140,507	158,136	61,827	39.10	46.7	....
North American Group						
Alliance Ins. of Phila. ...	19,552	21,814	8,683	39.80	67.2	62.71
Indemnity Insur. of N. A..	79,141	71,027	63,106	88.85	54.2	67.63
Insurance Co. of N. A....	30,099	29,079	12,932	44.47	52.0	48.90
Total	128,792	121,920	84,721	69.49	56.2	....
W. H. Burgess Group						
Camden Fire	6,506	6,713	1,754	26.13	29.8	61.27
Canadian Surety	103,729	106,349	50,281	47.28	46.1	47.67
New York Casualty	None	3,608	4,728	131.04	11.6	73.02
Total	110,235	116,670	56,763	48.65	34.5	....
Massie & Renwick Group						
Dominion Fire	24,423	27,616	8,682	31.44	57.2	49.13
Metropolitan Cas.	71,834	78,330	34,056	43.48	56.0	51.51
Nat'l-Ben Franklin	3,215	3,531	2,323	65.79	41.3	56.40
Northwestern National ...	7,991	9,162	1,411	15.40	40.4	34.95
Total	107,463	118,639	46,472	39.17	51.7	....
Sun Group						
Imperial Insurance	36,920	41,650	21,084	50.62	37.1	42.53
Sun Insurance	67,832	73,850	27,532	37.28	44.8	45.73
Total	104,752	115,500	48,616	42.09	42.1	....
Great American Group						
American Alliance	2,809	3,587	1,081	30.14	351.4	73.39
County Fire of Phila.	702	910	270	29.67	312.7	71.32
Great American Ind.	48,876	59,209	57,142	96.51	19.5	90.08
Great American Ins.	31,540	40,849	12,156	29.76	253.3	62.97
Total	83,927	104,555	70,649	67.57	76.1	....
Chubb & Son Group						
Federal Insce.	25,101	32,395	10,259	31.67	77.7	50.18
Marine	10,578	12,649	2,033	16.07	76.9	46.33
U. S. Guarantee	21,600	11,772	13,247	112.53	...	110.14
Total	57,279	56,816	25,539	44.96	76.9	....

(Continued on page 15)

LESS THAN HALF ONTARIO AUTOS CARRY INSURANCE

Showing Compares Favorably With United States, However

Public liability insurance was carried by 45.9 per cent of Ontario motorists in 1931, according to a survey made by the Department of Highways of 170,875 applications. Nearly 44 per cent of these motorists carried insurance against property damage. The Department of Highways states that this list was compiled alphabetically and names were included from all parts of the province so that it would appear to give an accurate picture of the percentage of all motorists in the province carrying insurance.

The percentage of motorists carrying public liability insurance compares very favorably with the percentage in the United States, which, according to a survey made in 1932, was 27.3 per cent, but four states of the Union recorded higher individual results.

Massachusetts, of course, takes first place in percentage of insured cars to total cars registered with 100 per cent, owing to the compulsory insurance laws in force in that state. Next comes New Hampshire with 53.5 per cent; third, Connecticut, 53.5 per cent; and fourth, New Jersey with 50.4 per cent.

New England Leads

It will be noticed that the leading states form part of the New England group while the other New England states have higher proportions than any others with the exception of New York, New Jersey and California. A number of reasons could be advanced for this condition but probably the most important one is that all these states, with the exception of Massachusetts, has a financial responsibility law in effect. New York, New Jersey and California also have financial responsibility laws, which probably accounts for their high standings.

Electrical Machinery Insurance

(Dominion Licensed Companies)

	Net Premiums Written $	Net Losses Incurred $	Ratio %
Boiler Inspection..	42,332	8,739	20.6
D. of Can. Gen. ..	-474	None	....
Gen. Acc. of Can.	36,141	15,682	43.4
Hartford St. Boiler	2,248	None	....
Maryland Cas. ...	8,140	604	7.4
Ocean A. & Guar.	13,133	4,707	36.8
Travelers Indem...	1,132	77	6.8
Grand Total, 1932.	102,652	29,809	29.0
1931.	197,838	43,403	21.9

Credit Insurance

(Dominion Licensed Companies)

	Net Premiums Written $	Net Losses Incurred $	Ratio %
Amer. Cr. Indem.	170,772	172,286	100.9
National Surety...	100,275	105,278	105.0
Total, 1932	271,047	272,564	102.4
1931	309,925	269,730	87.0

Great American Insurance Company New York

INCORPORATED 1872

ASSOCIATED COMPANIES

ROCHESTER UNDERWRITERS AGENCY

COUNTY FIRE INSURANCE CO. OF PHILADELPHIA

AMERICAN ALLIANCE INSURANCE CO.

GREAT AMERICAN INDEMNITY CO.

Statement as of December 31, 1932

The securities in this statement have been valued on basis prescribed by the National Convention of Insurance Commissioners

ASSETS		LIABILITIES	
Government and other Bonds	$14,434,505.00	Reserve for Insurance in Force	$15,557,641.40
Stocks	29,287,030.00	Reserve for Losses	2,360,892.89
Premiums in Course of Collection ...	2,797,923.39	Reserve for All Other Liabilities	520,583.04
Cash in Banks and Office	1,113,710.33	Special Reserve	700,000.00
Other Assets	267,291.02	Contingency Reserve ..	8,600,000.00
		Capital Stock $ 8,150,000.00 Surplus 12,011,342.41	
		Policyholders' Surplus .	20,161,342.41
Total Assets	$47,900,459.74	Total Liabilities	$47,900,459.74

BONDS AND DEBENTURES ON DEPOSIT WITH THE DOMINION GOVERNMENT, MARKET VALUE $1,830,742

Head Office for Canada - 465 ST. JOHN STREET, MONTREAL

DEPENDABILITY

From its organization in 1896 to December 31, 1932, the U. S. F. & G. paid out in claims and adjustment expenses a total of

$308,931,957.04

It has set up and maintains reserves for known and unknown claims and other contingencies amounting to

$38,713,763.59

Its surplus as regards policyholders is in excess of

$9,000,000.00

In Canada

It maintains reserves for claims and other contingencies in the amount of

$613,889.29

It has on deposit in approved securities with the Government of the Dominion of Canada for the protection of its Canadian policyholders

$1,115,000.00

Owns Canadian securities having a market value at December 31st, 1932, of

$2,827,727.00

These figures attest the dependable and enduring protection afforded by this Organization throughout thirty-six years of public service.

United States Fidelity and Guaranty Company

Head Office for Canada

36 Toronto Street, Toronto

A. E. KIRKPATRICK—General Manager

SIDNEY W. BAND—Assistant General Manager

FIRE AUTOMOBILE RIOT EXPLOSION TORNADO INLAND TRANSPORTATION

Agents Everywhere

W. R. HOUGHTON Manager

THE LONDON & LANCASHIRE INSURANCE Co. LTD

P. L. WAYLETT Asst. Mgr.

HEAD OFFICE FOR CANADA

14 Richmond Street East, Toronto

LAW UNION & ROCK

INSURANCE COMPANY LIMITED OF LONDON, ENGLAND

CANADIAN HEAD OFFICE, TORONTO

MERCANTILE FIRE

INSURANCE COMPANY

HEAD OFFICE, TORONTO

THE QUEBEC FIRE

ASSURANCE COMPANY

HEAD OFFICE, QUEBEC, P.Q.

G. H. HENDERSON, Chief Agent and Secretary

BRANCH OFFICES

Montreal, St. John, Quebec, Winnipeg, Vancouver

A Record That Speaks For Itself

REMARKABLE PROGRESS OF MUTUAL FIRE INSURANCE COMPANIES comprising

THE CANADIAN HARDWARE AND IMPLEMENT UNDERWRITERS

(Shown at Three-Year Intervals)

Years	Net Premiums	Net Losses	Net Dividends
1900-1902	$ 38,389.40	$ 11,391.34	$ 5,239.40
1903-1905	175,572.85	49,448.15	27,939.98
1906-1908	519,737.41	174,857.12	152,359.83
1909-1911	1,017,233.59	336,428.97	401,487.68
1912-1914	1,640,546.11	594.989.75	638,896.31
1915-1917	2,951,155.36	828,590.92	1,079,271.56
1918-1920	7,877.019.45	1,747,814.23	2,588,452.24
1921-1923	14,728,917.76	4,895,690.93	6,023,539.75
1924-1926	21,324,580.39	6,970,690.49	8,772,906.59
1927-1929	29,446,065.09	8,516,086.78	11,519,788.79
1930-1932	33,517,262.44	13,274,404.15	13,379,607.93
Totals	$113,236,479.85	$37,400,392.83	$44,589,490.06

SAVINGS RETURNED TO POLICYHOLDERS $44,589,490.06 since organization

SAVINGS RETURNED DURING 1932—$3,972,643.52

SURPLUS TO POLICYHOLDERS Dec. 31, 1932—$4,424,696.04

INCREASE IN SURPLUS 1932 OVER 1931—$24,031.33

Present rate of savings to Policyholders 30% and 40%.

CAREFUL SELECTION of risks, economical management and faithful service have built for this organization a universal reputation for prompt settlement and dependable savings year after year.

Over $700,000.00 on deposit with the Receiver-General, Ottawa.

SAFETY SAVING SERVICE

THE CANADIAN HARDWARE AND IMPLEMENT UNDERWRITERS

F. B. DALGLEISH, Manager

Power Building, WINNIPEG, MAN.

VOLUME DWINDLES IN COMPENSATION TO SMALL FIGURE

Elimination of Quebec as Field Shown in '32 Figures

Elimination of Quebec Province as a field for private company operations for workmen's compensation insurance in 1931 served to all but eliminate this once important field as a dominant factor in casualty insurance operations in Canada during 1932.

The new Quebec Act which placed workmen's compensation under the jurisdiction of a provincial commission came into effect in September, 1931. Accordingly premium volume in that year dropped to just over $2,000,000 as compared with $4,600,000 of net premiums written in 1930 and nearly $6,000,000 in 1929. The 1932 figures showed net premiums written of but $388,000 with a loss ratio of 56.1 per cent. Almost one third of this was written by one company, The Employers' Liability Assurance Corp.

Much Premium Adjustment

It will be another year probably before a true picture of the future volume of employers' liability coverage may be expected as undoubtedly the 1932 returns include a considerable amount of premium adjustment. That is to say, under the old workmen's compensation coverage premiums were written on the basis of payroll and if adjustment was subsequently made, companies received additional premium income at that time. In some cases, these adjustments have taken from six months to a year to materialize which undoubtedly accounts for a considerable amount of 1932 volume in this group.

Figures for 1932 analyzed by groups by The Financial Post follow:

EMPLOYERS' LIABILITY AND WORKMEN'S COMPENSATION
(Federal Government Figures)

	Net Premiums Written $	Net Losses Incurred $	Ratio %
Alliance Assur.	4,265	5,353	125.5
Brit. America	978	100	10.2
Brit. Canadian	733	297	40.5
Brit. Empire	111	9	8.1
Br. Northwestern.	83	None	....
Canada Accident	37,318	20,751	55.6
Canada Security	721	350	48.5
Can. General	610	1,043	170.9
Casualty Co.	18	None	....
Century Indem.	147	142	96.6
Century Insur.	255	None	....
Consolidated	−2,634	3,348	....
Continental Cas.	541	None	....
Dom. of Can. Gen.	1,218	965	79.2
Employers' Liab.	119,068	−118,806	....
Employ. Reinsur.	7,448	15,456	207.5
Fidelity & Casualty	773	4,702	608.2
Gen. Acc. of Can.	24,171	17,849	73.8
Gen. Acc., F. & L.	409	90	22.0
Gen. Cas. of Paris	2,034	−254	....
Globe Indemnity	21,469	3,267	15.2
Guildhall	1,963	2,719	138.5
Hartford Acc.	7,720	2,995	38.8
Imp. Guar. & Acc.	503	47	9.3
Indemnity Insur.	−1,880	None	....
Law Union & Rock	2,659	1,455	54.7
Liverp'l & L. & G.	3,653	1,498	41.0
Lloyds Casualty	961	−4,380	....
London & Lanc. G. & A.	6,293	4,527	71.9
London & Prov.	25	None	....
London & Scottish	1,180	45	3.8
Lond. Gr. & Acc.	11,287	5,800	51.3
Lumbermen's M. C.	148	293	197.9
Maryland Casual.	37,149	12,365	33.2
North Amer. Acc.	None	76	....
North British	344	18	5.2
Northern Assur.	4,203	−193	....
Norwich Union F.	11,018	3,439	31.2
Ocean A. & Guar.	4,739	−8,366	....
Phoenix Assur.	530	None	....
Prudential Assur.	7,911	1,369	17.3
Queensland	None	−1,676	....
Rly. Passengers	6,445	3,049	47.3
Royal Exchange	10,518	7,605	72.3
Royal Insur.	13,052	3,564	27.3
Scottish Metrop.	39	5	12.8
Sun Insur. Office.	248	897	361.6
Travelers Insur.	19,447	−34,386	....
*Union Indemnity	......	......	....
Union of Canton.	11,010	7,417	67.3
Union Marine	510	275	53.9
U. S. Fidel. & Gr.	−1,757	11,870	....
Western	702	120	17.0
World Marine	1,812	84	4.6
Yorkshire	2,040	123	6.0
Zurich	3,481	2,630	75.5
Totals for 1932	387,684	217,558	56.1
1931	2,116,028	1,330,033	62.8

*In liquidation.

Falling Aircraft Insurance

	Net Premiums Written $	Net Losses Incurred $	Ratio %
Bankers' Indem.	−34	−2,143	....
Continental Insur.	2,530	3,579	141.4
Home Insurance	None	None	....
Totals for 1932	2,496	1,436	57.5
1931	None	None	....

Loss Ratios Improve in Casualty Lines

Premium Income Lower, According to Federal Government Returns for 1932

Lower volume of premiums written and some improvement in loss ratios in important classes featured underwriting in the casualty field in Canada in 1932. Two exceptions to the generally prevailing tendency toward lower premiums, were in forgery and hail insurance in both cases the premium volume being higher than in 1931. One new type of casualty cover made its appearance in 1932, namely falling aircraft insurance and already claims have been paid out with a loss ratio of 57.5 per cent.

Automobile insurance as usual dominates the casualty field with well over half the total premium income. Premium volume was down approximately 7.5 per cent for federally-licensed companies while loss ratio was considerably improved.

A once powerful underwriting field, namely workmen's compensation has now shrunk to a shadow of its former self with the passing of private company operation in Quebec in 1931. This province was the last to adopt a provincially-operated scheme.

Accident and Sickness Important

Accident and sickness insurance as a group is now the most important branch of casualty next to automobile insurance, since hail cover in the past few years has also dropped far below the high totals of former years. A large crop improved the volume of this type of business considerably in 1932, however, and the loss ratio was satisfactory.

A summary of comparative figures as released by the federal insurance department at Ottawa last week, follows:

	Net prems. written $	Net losses incurred $	Ratio 1932 %	Ratio 1931 %	Net prems. written 1931 $
Accident					
(1) Personal	2,936,158	1,685,457	57.4	51.2	3,220,081
(2) Emp. Liab. & Comp.	387,684	217,558	56.1	62.9	2,116,028
(3) Other than Personal	1,418,880	401,430	32.5	44.7	1,590,995
Accident & Sickness (comb.)	1,619,050	1,076,642	66.5	60.2	1,826,873
Automobile	14,464,120	7,291,757	50.4	58.2	15,825,020
Aviation	29,527	2,639	...	262.0	86,587
Burglary	1,221,168	456,648	37.4	34.4	1,344,134
Credit	271,047	277,564	102.4	87.0	309,925
Earthquake	6,946	none	...	...	10,283
Electrical Machinery	102,652	29,809	29.0	21.9	197,838
Falling Aircraft	2,496	1,436	57.5	...	......
Forgery	52,819	16,695	31.6	61.0	36,480
Fraud	23,124	7,048	30.5	44.4	31,148
Guarantee					
(1) Fidelity	1,216,686	613,824	50.4	47.6	1,341,335
(2) Surety	708,856	339,143	47.8	34.2	1,167,636
Hail	921,183	331,214	36.0	83.7	573,997
Inland Transportation	901,945	297,071	32.9	32.6	1,024,336
Livestock	27,814	19,893	71.5	100.5	35,191
Plate Glass	513,667	243,843	47.5	42.7	585,437
Rain	9,286	3,479	37.5	41.8	10,949
Sickness	1,454,331	1,047,544	72.0	66.7	1,690,089
Steam Boiler	370,018	24,977	6.7	3.8	543,957
Title	none	none	...	...	none
Tornado	131,819	49,597	37.6	48.2	169,354

Many Arguments Favor Municipal Liability Cover

Coverage Relieves Municipality from Financial Losses Through Liability for Accidents — Municipal Act Sets Responsibility

One of the most serious drains which threatens the treasuries of municipalities is the danger of claims for road, sidewalk, and bridge accidents. Under the Municipal Act of Ontario, section 469 this liability is plainly set out as follows:

> "Every highway and every bridge shall be kept in repair by the corporation the council of which has jurisdiction over it, or upon which the duty of repairing it is imposed by this Act, and in case of default, the corporation shall, subject to the provisions of The Contributory Negligence Act, be liable for all damages sustained by any person by reason of such default."

It can be seen that this statute means that the municipality will be called upon to pay for injuries to or death of persons, and damages to property, unless the thoroughfare where the accident occurs is both constructed and maintained free of faults and defects. A few examples of these are holes, ruts, unguarded danger spots such as deep ditches, bad curves, rivers and lakes close to a road, sidewalks which are tilted or cracked or catch water and ice, etc.

Allows Balancing of Budget

In order to be able to set a tax rate it is the custom of municipal councils to budget spendings at the first of each year. Amounts which will be spent on education, public health, relief, workmen's compensation, road work, and in fact nearly everything but losses by fire and various kinds of liability claims, can be accurately estimated. For many years most councils have carried adequate insurance protection against fire, automobile accidents, infidelity of employees, explosion and electrocution hazards, etc., and have been able to accurately budget these costs, but only within the last ten years, has insurance become available to cover the hazards of Section 469 for Ontario municipalities, and thus help to fix more definitely the cost of government.

Chief reason for the hesitancy of insurance companies to go into this business was because of its hazardous nature. There were cases of judgments given against municipalities of upward of $15,000. It was apparently the feeling of the companies that the field was too small to enable them to set up a sufficient fund to take care of such cases as these, in addition to paying the smaller claims and general expenses.

Protection Available

However, a few companies have undertaken to write a coverage. The standard policy offered includes complete protection for all claims made against the municipality under Section 469 of the Municipal Act, up to limits of the company's liability in any one accident of $5,000 for one person, $10,000 for two or more persons, for injury or death, and $1,000 damage to the property of others. In addition, the company pays the costs of investigation and litigation. Higher limits of protection may be secured if desired.

Actual claims records show that the business has not been profitable from an underwriting viewpoint. Many tariff companies, who charge the premiums calculated by the Canadian Casualty Underwriters' Association, have retired from the business after giving it a trial.

Lack Often Costly

It can be readily seen that even one claim of any large amount will seriously crimp the finances of a small municipality. In one case on record, a damages claim resulted in a municipality having to issue debentures to pay the amount awarded and interest and principal on these debentures had to be budgeted for in succeeding years.

Probably the strongest argument in favor of this type of insurance is that, in common with all other types carried by municipalities, it relieves the council from any uncertainty as far as annual expenditures are concerned and, owing to the fact that the companies handling this type of business also pay the often considerable costs of investigation and litigation, the council is relieved of considerable extra trouble and expense.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE WASHINGTON
HEAD OFFICE FOR CANADA
HAMILTON ONTARIO
WRITING FIRE AND AUTOMOBILE INSURANCE AT COST. ASSETS $4,616,449.70
ALL POLICIES NON-ASSESSABLE PAYING DIVIDENDS RANGING FROM 20% TO 30%
BRANCH OFFICES
Toronto
Ottawa
Vancouver
Victoria
Edmonton
Calgary
Saskatoon
Winnipeg
Montreal
Quebec City
St. John
Halifax

BRITISH COLONIAL
FIRE INSURANCE COMPANY
LAURENTIAN UNDERWRITERS
AGENCY
BRITISH UNDERWRITERS
AGENCY OF AMERICA
ROSSIA INSURANCE
COMPANY OF AMERICA
RHODE ISLAND
INSURANCE COMPANY OF PROVIDENCE
Fire, Automobile, Tornado and Windstorm, Sprinkler, Leakage, Explosion, Use and Occupancy, Profits, Rents and Leasehold Insurance
Theodore MEUNIER, *President*
B. A. CHARLEBOIS, *Vice-President*
J. R. LACHANCE, *Secretary*
Head Office for Canada:
British Colonial Building
464 ST. JOHN STREET MONTREAL

Commercial Union Assurance Company
Limited of London, England
Head Office,
Canadian Branch
Commercial Union Bldg.
Montreal
JOHN HOLROYDE, *Manager.*
H. F. RODEN, *Deputy Manager.*
Toronto Office:
49 Wellington St. East
GEORGE R. HARGRAFT & Co.,
General Agents, Toronto.

Palatine Insurance Company, Limited
Head Office,
Canadian Branch
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H. F. RODEN, *Deputy Manager.*
Toronto Office:
100 Adelaide St. West
JONES & PROCTOR BROS., LTD.,
Agents.

TORNADO INSURANCE

Premium Volume Declines in 1932 and Loss Ratio Shows Improvement

	Net Premiums Written $	Net Losses Incurred $	Ratio %
Acadia	132	79	59.8
Aetna Insurance	1,922	498	25.9
Affiliated	113	4	3.5
Alliance Insurance	1,600	None	....
Amer. Alliance	108	34	31.4
American Central	None	None	....
Amer. Home Fire.	8	None	....
Amer. Insurance	346	25	7.2
Amer. Reserve	None	None	....
Boston	65	None	....
Brit. America	124	14	11.2
Brit. Canadian	222	51	22.9
British Empire	279	34	12.1
Br. Northwestern.	33	None	....
Brit. Traders	256	12	4.7
Canada Accident	1,072	None	....
Canada Security	469	2	0.4
Can Fire	196	None	....
Can. General	1,558	65	4.1
Central Union	−45	1	....
China	44	None	....
Columbia	44	26	59.0
Connecticut Fire	331	8	2.4
Continental	2,734	1,641	60.0
County Fire	27	8	29.6
Eagle Star	53	None	....
Employers' Liab.	1,197	365	30.4
Equitable Fire	66	2	3.0
Fidelity-Phenix	3,050	438	14.3
Fire Association	411	117	28.4
Firemen's Insur.	1,670	182	10.9
First American	585	14	2.3
First National	−404	None	....
Gen. Fire of Paris	6	None	....
Gen. Ins. of Amer.	846	340	40.1
Glens Falls	3,566	1,742	48.8
Great Amer. Insur.	1,216	363	29.8
Guardian Insur.	−	26	....
Hardware Dealers	165	None	....
Hartford Fire	39,945	15,304	38.3
Home Insurance	32,314	19,138	59.2
Hudson Bay	3	None	....
Imperial Assur.	88	53	60.2
Imperial Guar.	416	30	7.2
Imperial Insur.	52	None	....
Indiana	34	None	....
Individual	245	None	....
Insur. Co. of N. A.	1,850	1,069	57.7
Law Union & Rock	None	None	....
Lincoln	None	None	....
Lond. & Lanc. Ins.	1,632	111	6.8
London-Canada	38	None	....
Lond. Gr. & Acc.	88	53	60.2
Lumber. Mut of Mans.	147	None	....
Lumber Mutual	176	None	....
Maryland Insur.	57	4	7.0
Mercantile	19	None	....
Merchants Marine	212	4	1.8
Mercury	774	22	2.8
Metropolitan Fire	−27	58	....
Metrop. Inter-Ins.	58	None	....
Michigan	53	17	32.0
Mill Owners	712	38	5.3
Minnesota Imple.	165	None	....
Natl. Fire of Hart.	1,317	−401	....
Natl. Union Fire	857	432	50.4
Newark	2	None	....
N. Y. Reciprocal	150	None	....
N. Y. Underwrit.	931	None	....
Niagara Fire	1,113	15	1.3
North Empire	88	53	60.2
North River	111	48	43.2
Nor'western Mut.	260	101	38.8
Nor'western Natl.	4,860	2,077	42.7
Norwich Union	1,454	69	4.7
Pacific Fire	200	None	....
Pearl	3	None	....
Pennsylvania	36	None	....
Phoenix Assurance	950	484	50.9
Phoenix Ins. of Hartford	549	13	2.3
Pioneer	2	None	....
Planet	None	None	....
Portage la Prairie	10,289	660	6.4
Providence Wash.	159	190	119.5
Queen	7	None	....
Reliance	197	6	3.0
Retail Hardware	165	None	....
Rhode Island	138	None	....
Rossia	−183	40	....
Royal Insurance	474	None	....
St. Paul Fire & M.	5,166	845	16.3
Scottish Union	1,379	163	11.8
Sea	59	None	....
Security	348	28	8.0
Sentinel	−29	4	....
Springfield	1,642	148	9.0
Stuyvesant	−8	None	....
Sun Insurance	235	None	....
Svea	None	None	....
Tornado Inter-Ins.	2,077	None	....
Union Assurance	34	None	....
Union of Canton	102	None	....
Union Marine	159	58	36.4
United Firemen's.	44	26	59.0
U. S. Fire	336	None	....
Universal	2	None	....
Wawanesa	−7,584	2,346	....
Westchester	393	8	2.0
Western Assur.	745	48	6.4
World Fire & Mar.	181	144	79.5
Totals for 1932	131,819	49,597	37.6
1931	169,354	81,559	48.1

Forgery Insurance

(Dominion Licensed Companies)

(A)—Group Experience:

	Net Premiums Written $	Net Losses Incurred $	Ratio %
U. S. Fidelity			
U. S. Fid. & Guar.	5,301	6,487	122.4
Fidel. Ins. of Can.	389	1,768	454.5
	5,690	8,255	145.1
(B)—Individual Companies:			
Can. General	4,534	1,298	28.6
Can. Indemnity	718	None	....
Can. Surety	2,845	2,600	91.4
General Indem.	421	None	....
Globe Indemnity	628	None	....
Grain Insurance	3,390	−318	....
Maryland Cas.	794	−571	....
Metropolitan Cas.	27	None	....
National Surety	32,800	5,481	16.6
Royal Insurance	1,044	None	....
Grand Total, 1932.	52,891	16,695	31.6
1931.	36,480	22,245	61.0

Livestock Insurance

(Dominion Licensed Companies)

	Net Premiums Written $	Net Losses Incurred $	Ratio %
Hart. Livestock	17,578	14,915	84.9
Indem. Insur.	7,699	4,200	54.6
Yorkshire	2,537	778	30.7
Total, 1932	27,814	19,893	71.5
1931	35,191	35,410	100.6

Rain Insurance

(Dominion Licensed Companies)

	Net Premiums Written $	Net Losses Incurred $	Ratio %
Hartford Fire	5,620	1,246	22.2
Home	3,666	2,233	60.9
Total, 1932	9,286	3,479	37.5
1931	10,949	4,575	41.8

Northwestern Mutual Loss Ratio Explained

Northwestern Mutual Fire Association has advised The Financial Post that G. D. Finlayson, federal superintendent of insurance, has consented to make a notation in the federal insurance blue book when published, to the effect that the company's losses outstanding in 1932 included unlicensed insurance of $190,200.

The practice of the federal department has been to publish net figures for British and foreign companies in Canada after deduction of licensed reinsurance only. In the case of Canadian companies, all reinsurance is deducted.

In the case of the Northwestern Mutual this method of publishing figures which are shown elsewhere in this issue, shows the company with a considerably higher loss ratio than would otherwise be the case.

One Company Alone Writes Fraud Cover

As in previous years, National Surety Co. was the only insurance concern in Canada licensed under the federal government at Ottawa to write fraud insurance in the Dominion.

Net premiums written were $23,124 and net losses incurred $7,048. Ratio of net losses incurred to net premiums written was 30.5 per cent as compared with a corresponding ratio of 44.4 per cent the previous year. In 1931, National Surety showed net premium written of $31,148 in this class.

Automobile Insurance Experience, 1932 Analyzed by Groups and Companies

(Continued from page 14)

Aetna Group						
Aetna Insurance	11,968	15,144	10,626	70.17	118.8	75.66
Century Indemnity	24,220	37,305	17,253	46.25	61.3	64.59
World Fire & Marine	14,149	18,211	12,636	69.39	73.7	33.96
Total	50,337	70,660	40,515	57.34	77.1	....
J. P. A. Gagnon Group						
National Union Fire	16,989	205,285	59,327	28.90	76.5	83.33
National Union Indemnity	3,538	22,008	19,699	89.51	16.80	107.55
Total	13,451	227,293	79,026	34.77	87.0	....
Fireman's Fund Group						
Fireman's Fund Indemnity	8,280	11,295	1,350	11.95	30.7	19.31
Fireman's Fund Insur.	241	540	81	15.00	49.0	56.50
Home, Fire & Marine	2,717	3,484	1,626	46.67	65.2	59.38
Total	11,238	15,319	3,057	19.96	41.3	....
Hardware Mutual Group						
Hard. Dealers Mutual	2,676	2,706	409	15.11	32.0	37.52
Minn. Implement Mutual	2,676	2,706	409	15.11	32.0	37.52
Retail Hardware Mutual	2,676	2,706	409	15.11	32.0	37.52
Total	8,028	8,118	1,227	15.11	32.0	....
Boston Group						
Agricultural	2,361	1,730	65	3.76	...	3.64
Boston	1,090	1,148	991	86.32	...	124.58
Total	3,451	2,878	1,056	....	...	....
America Fore Group						
Continental Ins.	760	2,117	1,663	78.55	130.3	80.74
Fidelity-Phenix	1,051	1,215	1,329	109.38	48.8	94.12
Niagara Fire	156	383	None	....	8.0	25.35
Fidelity & Cas.	447	495	53	10.71	...	5.34
Total	2,414	4,210	3,045	72.33	57.9	....
W. A. Thompson Group						
American Ins.	1,213	1,142	138	....	14.6	71.34
Fire Assoc. of Phil.	42	1,402	1,088	77.60	114.2	64.20
Security Ins. of N. Haven	1,444	1,592	710	44.60	30.5	122.36
Constitution Indem.	None	None	5,000	....	...	....
Total	2,615	4,136	6,660	161.03	69.3	....
Springfield Group						
Sentinel Fire	49	33	10	30.30	...	30.30
Springfield Fire & Marine	1,220	964	394	40.87	...	22.35
Total	1,269	997	404	40.52	...	....
(b) Individual Companies						
Pilot*	530,650	545,472	243,129	44.61	55.7	....
Halifax	379,032	308,988	127,661	41.31	66.2	59.33
Provident*	375,989	412,612	227,305	55.44	...	....
Ocean Accident	354,351	395,209	160,773	40.68	60.5	49.18
General Exchange	308,743	331,212	132,819	40.10	53.1	58.15
Portage la Prairie	300,100	204,661	125,919	61.53	42.0	58.20
Trans-Canada	254,824	377,722	192,460	50.95	71.5	62.09
Zurich	220,716	241,625	106,922	44.25	47.1	64.21
Guardian Insur. Co.	213,462	228,214	116,092	50.87	49.1	52.96
L'Union Fire of Paris	129,990	84,874	53,814	63.40	58.6	63.16
Glens Falls	117,333	70,497	49,186	69.77	38.8	64.64
Alliance Assurance	116,717	131,899	45,744	34.68	66.8	53.08
Continental Casualty	105,918	90,372	63,430	70.19	41.8	38.80
British Oak	91,505	56,308	31,987	56.81	18.7	56.90
Gen. Casualty of Paris	91,098	94,743	35,648	37.63	90.3	60.99
Employers' Reinsurance	81,308	87,370	20,312	23.25	55.2	31.40
Merchants Casualty	80,283	87,912	29,294	33.32	55.9	36.24
Maryland Casualty	77,112	70,990	38,020	53.56	66.1	54.11
Northwestern Mutual	65,465	70,658	21,690	30.70	30.9	41.63
Wawanesa	64,376	57,790	38,526	66.67	63.4	43.71
Prudential Assurance	63,811	63,035	28,775	45.65	81.4	61.09
Legal & General	50,788	36,383	17,038	46.83	52.4	48.90
Scottish Union	48,418	49,095	30,596	62.32	54.7	64.76
American Home Fire	42,009	33,296	19,470	58.48	50.3	64.51
Preferred Accident	30,919	44,069	26,244	59.55	40.7	48.29
Northwest Casualty	16,750	17,741	12,339	69.55	64.3	84.26
Central West Casualty	16,209	12,942	14,280	110.34	53.4	97.25
Providence Washington	13,652	13,746	6,182	44.97	47.4	45.95
Caledonian	7,462	3,731	980	26.27	*	26.27
New Hampshire	6,661	3,412	1,272	37.28	*	37.28
Ohio Farmers	5,845	4,924	777	15.78	..	17.40
Pearl	3,892	1,963	2,185	111.31	*	111.31
Commerce Mutual	407	213	125	58.69	..	58.69
Lumber M. of Mans	260	911	6	0.66	4.6	2.43

*Not operating in 1931.

SUSPEND LICENSES OF 7,387 DRIVERS UNDER AUTO LAW

Ontario Financial Responsibility Law Results to Dec. 31, 1932

That 7,387 persons have had the privilege of owning or operating motor vehicles in Ontario suspended owing to failure to comply with the conditions of the Ontario Financial Responsibility Law during the 28 months to December 31, 1932, during which the law has been in force, is sufficient proof that it has justified its enactment, according to J. P. Bickell, Registrar of Motor Vehicles for Ontario, according to figures given The Financial Post recently. Mr. Bickell points out, of course, that this was only one result of the law, data on many others, such as the number of judgments satisfied owing to fear of prosecution, being unobtainable.

In only 132 cases were convictions recorded for failure to satisfy judgments, the balance of 7,257 cases arising out of convictions for offenses named in the Act, the three most frequent offenses being "driving without a license," "reckless driving resulting in personal injury or property damage" and "driving while intoxicated." All but seven of these latter convictions were made in Ontario, the balance being in other provinces of Canada and states of the Union which have reciprocal agreements with Ontario.

Results Obtained

Results obtained under the Act since it was introduced in Ontario are summarized as follows:

Suspension of privilege of owning or operating motor vehicles, 7,387.

Convicted for offenses named in the Act, 7,255.

Suspended for failure to satisfy judgments, 132.

Residents of Ontario convicted, 6,737.

Residents of United States convicted, 593.

Residents of other provinces convicted, 57.

Regained the right to drive or have motor vehicle registered in their name through filing proof of financial responsibility, 2,827.

Regained the right to drive as above after having satisfied judgments against them, 17.

Proof of financial responsiblity has consisted in every case of filing an insurance policy.

Number of cases in which persons filing proof have allowed policy to lapse or company has later cancelled same, 1,074. In 522 cases another certificate has been filed.

File Insurance Policies

Number of cases among proofs filed in which policy was issued after party was required to file proof, 2,265.

Policies filed which were in effect before the application of the act, 1,112 or 32.9 per cent.

Number of persons who have failed to comply with the law and who have not regained their privilege of driving or owning an automobile, 5,084. Of these, 4,470 are residents of Ontario, 51 of other provinces and 563 of United States.

Achievements of the Act in 28 months of operation:

1. Over 4,500 reckless or irresponsible Canadian drivers have been ruled "off the road."
2. Apparently compensation has been obtained for accident victims in all but 115 cases.
3. A reduction in the accident toll is indicated (there was a reduction of 13 per cent in the number of fatal accidents in 1932 compared with 1931.)

Wheat Exports to United Kingdom

Canada's wheat exports to the United Kingdom during February amounted to 7,505,302 bushels as compared with 5,255,538 bushels in the previous February, according to a report of the Dominion Bureau of Statistics.

Insurance Inklings

H. A. H. BAKER, C.L.U., has been appointed manager of the Winnipeg branch of the Great-West Life Assurance Co. Mr. Baker was formerly an agency manager for the Equitable Life in New York, and for the Sun Life at Sherbrooke, P.Q., and Minneapolis, Minn.

STANLEY C. HOUSTON, has joined the London agency of the Ontario Equitable Life Insurance Co. Mr. Houston is a former bank manager, having been for 27 years with the Bank of Toronto, and entered the life insurance business two years ago.

F. P. HAYDEN, superintendent of central agencies for the Great-West Life Assurance Co., with headquarters at Winnipeg, retired on March 31. He has been associated with the company for many years, having been agency superintendent at Winnipeg since 1917.

CAREFUL MANAGEMENT
SOUND INVESTMENTS
CONSERVATIVE UNDERWRITING
Have made the "Canadian" what it is today.
ONE OF THE MOST SUCCESSFUL CANADIAN COMPANIES
$53,243.86 added to Surplus last year.
Surplus to Policyholders $1,657,468.98, Assets $2,585,183.43.
For every $1.00 of Liabilities the "Canadian" has $2.62 of Assets.
THE CANADIAN FIRE INSURANCE COMPANY
WINNIPEG TORONTO CALGARY VANCOUVER

A COMPLETE SERVICE
IN A
SOUND, PROGRESSIVE,
CANADIAN COMPANY
In spite of unfavorable general conditions $34,605.30 was added to Surplus in 1932. Surplus to Policyholders $721,486.96. Assets $1,332,434.52. For every $1.00 of Liabilities the Indemnity has $2.18 of Assets.
THE CANADIAN INDEMNITY COMPANY
Montreal Toronto Winnipeg Calgary Vancouver

Three Essentials in Auto Protection
Standard policies to give you adequate coverage; an unbroken record of fair dealing which you can depend upon; definite assurance of quick settlement in case of claim—all these advantages and more are yours when you place your car insurance with—
The PORTAGE LA PRAIRIE Mutual Insurance Company
Portage la Prairie, Man.
Fire — Automobile — Burglary
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Established 1884
TORONTO — VANCOUVER — EDMONTON — MONTREAL

THE EMPLOYERS' LIABILITY ASSURANCE CORPORATION
LIMITED OF LONDON, ENGLAND,
Deposit with Dominion Government $3,500,000
Founded 1880
ACCIDENT
SICKNESS
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GUARANTEE
BONDS
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BOILER
LIABILITY
BURGLARY
PLATE GLASS
BONDS FOR ADMINISTRATORS, LIQUIDATORS, SUCCESSION DUTY, TRUSTEES AND ASSIGNEES
JOHN JENKINS, *General Manager*
For Canada and Newfoundland

ALLIANCE
ASSURANCE COMPANY, LIMITED
OF LONDON, ENGLAND
ESTABLISHED 1824
Assets Exceed £30,000,000
(Including Life Funds)
FIRE - AUTOMOBILE - CASUALTY
THE WESTMINSTER
FIRE OFFICE
OF LONDON, ENGLAND
FOUNDED 1717
GUARANTEED BY THE
ALLIANCE ASSURANCE CO. LIMITED
FIRE - AUTOMOBILE
Head Offices for Canada—BARCLAY'S BANK BUILDING
214 ST. JAMES STREET, MONTREAL
APPLICATIONS FOR AGENCIES INVITED
E. E. KENYON, Manager

A STRONG GROUP
The WESTERN
ASSURANCE COMPANY
Incorporated 1851
BRITISH AMERICA
ASSURANCE COMPANY
Incorporated 1833
and their Subsidiaries
BRITISH CANADIAN INSURANCE COMPANY | BRITISH EMPIRE ASSURANCE COMPANY | ST. LAWRENCE UNDERWRITERS
IMPERIAL GUARANTEE & ACCIDENT INSURANCE COMPANY OF CANADA
FIRE and Allied Lines
AUTOMOBILE All Covers
CASUALTY All Covers
MARINE Inland and Ocean
Enjoying a well merited reputation for prompt settlement of claims
Losses Paid Since Incorporation .... Group $188,915,000 Net
Annual Premium Income Group .... Over $7,250,000 Net
The "Western" and "British America" do a world wide business through their important branch and agency connections in the Far East, India, Australia, Africa, Europe, United States, West Indies, Central and South America.
HEAD OFFICE: 16-22 WELLINGTON ST. EAST, TORONTO
OLD in years
STRONG financially
PROGRESSIVE in policy

Insurance News

Life Business Abroad Drops 40 p. c. in 1932

But Canadian Companies Paid For $325,000,000 in Foreign Countries Despite Slump—Sun Life Leads

New paid for foreign business of Canadian life insurance companies totalled $325,000,000 in 1932 according to returns released by the federal insurance department at Ottawa this week. This is 40 per cent less than the corresponding total of $558,000,000 a year ago and less than half the volume done in 1930.

Total business in force among Canadian companies outside Canada is now approximately $2,736,000,000. This is $160,000,000 less than the total outstanding at the end of 1931 which was the peak.

Group business showed the largest drop, Canadian companies issuing on a paid for basis only $16,681,000 of group insurance abroad in 1932 against over $50,000,000 during 1931. Total group business in force dropped to $176,700,000 against $254,500,000 at the end of 1931.

Sun Life Leads

An analysis by companies made by The Financial Post shows Sun Life leads all other Canadian companies in both group and ordinary business abroad. Nearest competitor on the basis of business in force is Canada Life, but this year Manufacturers Life for the first time nosed ahead to rank second on the basis of new ordinary business paid for abroad in 1932. Confederation and Great West rank fourth and fifth respectively both as to new business paid for in 1932 and total business in force at the end of the year.

The ranking of all Canadian companies writing business abroad as prepared by The Financial Post in order of new business paid for in 1932 is as follows:

FOREIGN BUSINESS OF CANADIAN COMPANIES
(Federal Licensed Companies Ranked in Order of New Business Paid For in 1932)

	Gross New Business Paid For 1932	1931	Net Insurance in Force Dec. 31, 1932
	$	$	$
(a) Ordinary:			
Sun	209,698,371	379,765,051	1,852,849,705
Manufacturers	31,587,075	40,049,779	235,351,804
Canada	27,278,063	43,041,047	341,178,940
Confederation	14,023,230	16,238,192	121,403,501
Great West	8,799,089	10,788,538	70,161,204
Crown	7,747,128	5,495,408	21,567,299
Imperial	4,664,346	5,480,647	51,766,625
Mutual of Canada	1,556,858	4,275,830	19,153,539
Dominion	1,120,568	1,192,603	3,690,789
North Amer.	1,117,419	1,127,684	11,421,696
Maritime	466,980	622,317	3,765,920
Montreal	144,500	98,500	322,250
National	14,500	14,000	558,888
Total, 1932	308,218,127		2,736,246,160
1931	508,189,596		2,895,207,845
1930	640,917,897		2,753,593,785
(b) Group:			
Sun	12,000,100	44,584,330	151,993,445
Canada	3,052,000	4,973,550	21,418,886
Great West	651,590	77,000	697,400
Manufacturers	385,985	445,229	1,883,486
Confederation	326,547	94,500	338,547
Dominion	178,000	....	189,000
Imperial	66,000	81,000	143,500
Montreal	21,000	....	21,000
Total, 1932	16,681,132		176,728,764
1931	50,284,609		254,481,345
1930	76,550,492		224,026,123

HARDWARE MUTUAL WROTE $759,000

Total Assets in Canada $915,000 at End of 1932

Net premiums written in Canada in 1932 of $759,000 is reported by the Canadian Hardware and Implement Underwriters according to figures released by the federal insurance department last week. Corresponding figure of a year ago was $817,000. Ratio of losses incurred to premiums earned (after deduction of unlicensed reinsurance only) was 50 per cent as compared with 39.8 per cent in 1931.

The three companies comprising the Hardware Mutual group are Retail Hardware Mutual Fire of Minneapolis; Hardware Dealers Mutual of Wisconsin and Minnesota Implement Mutual Fire of Owatonna, Minnesota. Manager for Canada is F. B. Dalgleish with office at Winnipeg. The group has been doing business in Canada since 1920.

Assets $915,000 in Canada

Total assets of the combined companies is approximately $13,000,000 of which $4,400,000 represents surplus and guarantee funds. In Canada the group had total assets of $915,000 as at the end of 1932, of which $700,000 was held on deposit with the Receiver-General at Ottawa, solely for the protection of Canadian policyholders. Surplus of assets over liabilities in Canada though nearly $100,000 less than a year ago now stands at $430,000.

Comparative figures for the combined experience and position of the three companies in the group are given below. All business written by the group in Canada is written by Canadian Hardware and Implement Underwriters and is split three ways between the three component companies. All business is written at tariff rates with a dividend distribution at the end of the year ranging from 30 to 40 per cent. Rates as high as 50 per cent were paid until last year. Total dividends returned to policyholders in Canada in 1932 were $311,599.

	1932	1931
	$	$
Net prems. written	759,063	816,975
Net prems. earned	788,244	925,968
Net losses inc.	396,531	368,571
Earned loss ratio	50.3%	39.8%
Assets in Canada	914,964	951,364
Liabilities in Canada	484,951	424,112
Surplus in Canada	430,013	527,253
Deposit with Rec.-General	701,171	800,279
Total assets	12,955,132	13,121,635
Surplus & guar. fund	4,424,696	4,400,665

WAWANESA MUTUAL INCREASES PREMIUMS

Volume Higher in 1932 and Fire Loss Ratio Improved

One of the few companies to increase its premium income in 1932, Wawanesa Mutual Insurance Co. reports total net premiums written of $1,132,458 in its annual statement. Comparative figure for 1931 was $1,088,000.

Loss ratio on fire business showed a marked improvement, the company reporting an earned loss ratio of 58 per cent as compared with 68 per cent in 1931. Of total premiums written, $1,074,000 was fire business and $64,376 was automobile. Both show an increase from 1931. Earned loss ratio on automobile business was 66.7 per cent compared with 63.4 per cent a year ago. Operating expenses were were 41 per cent of net premiums.

Assets Now $1,373,000

Total assets in Canada on the basis allowed by the federal insurance department were $1,373,300 compared with $1,356,600 in 1931. Surplus, exclusive of unassessed premium notes and other assets not allowed in federal returns, was $553,000 as against $758,500 in the previous year. This is after setting up a reserve for the company's assessment note business required this year for the first time by the federal insurance department. In addition the company has written off nearly $40,000 from its security portfolio. Underwriting loss for the year was $39,000.

Wawanesa Mutual is licensed by the federal government at Ottawa and carries on business in most provinces of Canada. It is the largest fire mutual company in Canada.

Comparative figures follow:

	1932	1931
	$	$
Fire:		
Net prems. written	1,073,860	1,038,491
Net prems. earned	938,573	815,963
Net losses inc.	544,494	555,335
Earned loss ratio	58.0%	68.0%
Auto:		
Net prems. written	64,376	46,166
Net prems. earned	57,790	30,405
Net losses inc.	38,526	19,275
Earned loss ratio	66.7%	63.4%
Assets	1,373,322	1,356,624
Surplus*	552,815	758,544

*Exclusive of unassessed premium notes and other contingent assets not allowed by the federal insurance department.

Woodmen of the World Shows Gain in Assets

A gain in total assets to $1,955,428 at the end of 1932, is reported in the annual statement of the Canadian Woodmen of the World, Dominion-wide fraternal organization, with head office at London, Ont.

Net new certificates issued by the organization during 1932, according to federal government figures, numbered 219 with a total value of $225,000. Total certificates now in force number 4,378 for a total amount of $4,374,600. Certificates in force at the end of 1931 were valued at $4,751,000.

THE
MONARCH LIFE
ASSURANCE COMPANY
A PROGRESSIVE CANADIAN COMPANY
Special Reserves and Surplus
OVER ONE MILLION DOLLARS
Offices in Principal Canadian Cities

PROTECTION
The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost. This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.
Assets — $49,000,000.00
Independent Order of Foresters
FRANK E. HAND, Supreme Chief Ranger
HEAD OFFICE: TORONTO, CAN.

This Week in Wheat

From Our Own Correspondent

Stocks Decrease

WINNIPEG—Although world shipments of wheat last week were only slightly in excess of 11,000,000 bushels, there was a decrease in stocks afloat by 4,000,000 bushels to 52,000,000 bushels, or about 13,000,000 bushels from the high point of a few weeks ago, and about 6,000,000 bushels from the quantity afloat at the corresponding period last week. While the market is still impatiently awaiting the development of export business from Canada on a much larger scale than has existed during recent weeks, there is considered to be still good hope that such a development may be under way by the opening of navigation.

* * *

U. S. Estimate

ESTIMATES of winter wheat production of only 371,000,000 bushels in the United States, would be expected, if either world financial conditions were somewhat more stable, or if the Canadian surplus were somewhat less, to produce sensational market developments, especially when coupled with reports of Russian conditions. Not only is a shortage of current suuplies of breadstuffs reported, indicating reserves to be much lower than usual for this time of year, but conditions in the winter wheat area of Russia indicate a smaller production than for recent years, while a shortage of seed for spring sowing is reported.

* * *

Spread Widens

CHICAGO prices are gradually pulling still farther away from Winnipeg. The market there has absorbed during the past month about 20,000,000 bushels of futures liquidated by the Farm Board, with about 11,000,000 bushels still to come. But the trade has been disturbed by the disclosure that while the Farm Board itself has no cash wheat, loans were lately outstanding to co-operatives with cash wheat as security, to the extent of $16,000,000, and this wheat is to be disposed of as soon as possible. While it is believed that much of the amount in question represents loss, and the quantity of wheat held may be comparatively small, and also that the most of such wheat is already hedged, traders have shown some hesitation until this point should be cleared up.

* * *

Spring Seeding

THE outlook for spring seeding in Western Canada has been improved by recent rains and snowfall over a large part of Southern Saskatchewan, where subsoil moisture has not yet been restored to normal after the long continued drought, and where dust storms had already begun to make an appearance this year. While actual work on the land has commenced in a few places, this has not yet occurred to an important extent, but conditions seem to point to a season sufficiently early to enable an acreage almost the same as last year to be seeded. The time factor is important, to enable horse and man power to be used to the full extent, in the lack of funds to buy tractor fuel and to hire labor.

* * *

Orient Buying

WHILE Oriental buying of Australian wheat is commencing to fall off, it is felt that Australia has already marketed a very satisfactory quantity, and that pressure from that country should not be great for the remainder of the season. Reports from overseas continue to emphasize the poor quality of Australian wheat. British buying of wheat, in the absence of any accumulated reserves, is continuing on a good scale.

SASKATCHEWAN POOL HAS PAID INTERIM OF 5c

6,700,000 Bus. of Wheat Involved in Pool for 1932-33

From Our Own Correspondent

REGINA. — The Saskatchewan Wheat Pool has made an interim payment of 5 cents a bushel on wheat delivered for pool selling during the current crop year. While most members of the wheat pool have dropped the pool selling plan, it is disclosed that a total of 6,500 farmers had some wheat in this year's pool, for a total of 6,700,000 bushels, or slightly over 1,000 bushels each.

The first payment received by such farmers was, under an arrangement guaranteed by the Dominion Government, at the rate of 30 cents a bushel on wheat in store at Fort William, out of which freight and elevator costs were taken, and also discounts on lower grades of grain. With the payment now made, the price is brought up to 35 cents a bushel.

Other Provinces Follow

Similar payments, it is understood will be made by the Alberta Wheat Pool, and also by the Manitoba Pool Elevators Company. Small as is the total quantity of grain pooled this year, it is considerably larger than the total of last year. To some extent the increase is understood to be due to a feeling on the part of farmers that wheat prices were so low that some improvement was likely, and to some extent to effort, to prevent proceeds of sale by being taken at once by emergent creditors.

Ontario Creamery Butter Output

The production of creamery butter in Ontario during February was 3,382,268 pounds (excluding Northern Ontario), as compared with 3,261,925 pounds in February, 1932, an increase of 3.68 per cent according to the Ontario Department of Agriculture. The production in Northern Ontario was 50,005 pounds for the month, as compared with 58,740 pounds in February, 1932, a decrease of 14.87 per cent.

Winnipeg Grain Prices

Week to April 4

Crop year from Aug. 1, 1932 High	Low		Open Mar. 29	High for week	Low for week	Close Apr. 4
		Wheat				
.67⅝	.40½	May	.50⅛	.51¼	.49⅝	.50⅞
.56¼	.41¾	July	.51⅛	.52½	.50¼	.51⅞
.57⅞	.46⅝	October	.52⅞	.54	.52⅛	.53¾
		Oats				
.29½	.21⅛	May	.25¼	.25½	.24¼	.24½
.26⅝	.21½	July	.24⅞	.25⅛	.24⅛	.24⅝
.25⅝	.21⅞	October	.....	.24⅝	.24⅛	.24½
		Barley				
.38½	.26⅛	May	.30½	.30¾	.29¾	.30⅛
.35¾	.26	July	.31⅛	.31¼	.30¼	.30¾
.32⅞	.27¼	October	.31½	.31⅝	.30½	.31⅛
		Flax				
.94	.71¼	May	.80½	.80⅞	.79⅝	.80
.85½	.71⅝	July	.81½	.81⅞	.80½	.81¼
.88	.76	October	.84¼	.84⅝	.82¾	.83⅝
		Rye				
.42⅞	.30¼	May	.35	.37⅝	.34⅝	.36⅝
.39⅞	.31	July	.36½	.37½	.35¾	.37
.41⅝	.34	October	.37⅝	.39½	.37⅛	.38⅝

Grain and Milling in Canada

GRAIN DEALERS TO OPPOSE BILL ON U. S. BOATS

Bill Would Stop Grain Carriage by U. S. Vessels

From Our Own Correspondent

WINNIPEG.—The grain trade is very thoroughly worked up on the subject of the new shipping bill and the effect its proposed provisions would have upon the carriage of grain on the Great Lakes in United States vessels, and upon the use of the Buffalo route. There is a high degree of unanimity in the objections raised, and it is understood that the Grain Exchange itself, United Grain Growers Limited, and the provincial pools will all make representations to the Senate in opposition to the proposals.

In spite of the length of the shipping bill, the opposition in question is confined to one clause, sub-section 12 of section 3, which declares that coasting trade of Canada means the transportation by water or by land and water of goods or passengers from one place in Canada to the same or another place in Canada, whether or not such transportation is direct or via a foreign port outside of Canada, and includes any part of such transportation. The legislation now in force omits transportation via a foreign port in the definition of coastal trade of Canada. Under the proposed act, as under existing legislation, coastal trade is confined to British vessels, although provision is now made, and is carried into the proposed new bill, for suspension of the coastal provision.

Practical Difference

The practical difference made by the change is that transportation of Canadian grain in United States vessels on the Great Lakes would be practically eliminated. At present, although Canadian grain may not be carried by United States vessels from Port Arthur or Fort William to Montreal, it may be carried by such vessels from the head of the Lakes to Buffalo, and from Buffalo to Montreal. The Buffalo route is considered a valuable and necessary part of the transportation facilities for Canadian grain for several reasons. One is that cheap transportation to Buffalo is frequently made available by competition of United States vessels, and more especially toward the close of the navigation season when the closing of the ore shipping season from Duluth makes additional vessels available for such work. Another is the strategic location of Buffalo, making grain placed in storage there available to be shipped by canal or rail to New York, Albany or other United States ports when satisfactory ocean freights are obtainable from such ports, or to be forwarded to Montreal or other Canadian ports if such route is more favorable.

Higher Freights

Cutting out the competition of United States vessels, means, in the opinion of the trade, that lake freights will be higher than would otherwise be the case, and it is contended that in the majority of cases higher transportation costs would be at the expense, not of the purchaser of the grain abroad, but of the Canadian producer.

Still further dangers are seen in the possibility of grain being moved to Buffalo in United States vessels, when rates seem attractive and there appears to be a prospect of exporting it through New York. Then should more favorable rates become effective from Montreal, the grain in question could only be sold at a discount, as it would be illegal to ship it to Montreal. At the same time, however, United States grain in store in Buffalo could be shipped to Montreal.

A general effect, it is believed, would be to work against the shipment of grain through either Buffalo or United States ocean ports, a fact which might be reflected in higher ocean rates out of Montreal than if competition for tonnage of ocean liners out of New York could be made fully effective.

Lower Storage Rates Suggested at Montreal

Montreal Shipping Operator Would Also Have Harbour Commission Add 15,000,000 Bushels New Storage

By THOMAS R. KIRKWOOD

Montreal needs a greatly enlarged capacity of grain elevators and a new policy of lower carrying charges for grain. At least double the present storage facilities and substantially lower storage rates are inevitable if the port is to hold her position as the world's greatest export grain outlet, and keep in Canadian channels the bulk of Canada's heavy traffic in grain.

As far back as 1921 Canadian eastern grain routes were experiencing considerable congestion, and much traffic was being lost to American routes. This resulted in the appointment by the Federal Government in March, 1922, of a special committee. The committee's report disclosed no suggestion to provide ample capacity for the purpose of long-term storage at Montreal. In fact, very large capacity was not then needed since grain was marketed and exported much more promptly than is the case today. The annual carry-overs of old crop grain were quite small prior to 1924.

New Rates in 1924

To carry out more intensively the new policy adopted in 1922 of accelerating the movement of grain through Montreal elevators, it became necessary to discourage long-term storage of grain; therefore, a new tariff for the elevator system was issued in April, 1924. The tariff for elevation and delivery was drastically increased—no doubt on the theory that the traffic could bear it and thus increase substantially the port's revenue—but the increase in the rate for storage beyond the free period was much more drastic. This heavy addition to the daily rate, coupled with the reduction of 50 per cent in the free storage period, was intended not to enhance directly the elevator earnings but to discourage long-term storage of grain. The rates established in 1924 are still in effect.

The Harbor Commission recently devised a new rate basis to apply to winter storage of grain, the purpose, no doubt, being solely to increase the port's revenue by upward of $100,000 during the season closed to navigation.

Although the grain-handling services of the Port of Montreal earn about two thirds of the net revenue, the capital invested in these facilities is only one third of the total investment in the port. The total investment is about 60 millions of dollars, of which grain facilities represent about 20 millions.

Grain traffic through the Port of Montreal yields nearly two thirds of the port's net revenue. Gross income from this traffic during the twelve-years period was slightly less than the gross income realized from all other services in the port.

Grain traffic is of great importance to the Port of Montreal; and it is well able to support enlarged storage facilities with such ease as not to cause any drain upon the taxpayers of the country.

Suggests Double Space

It is the concensus in grain and shipping circles that Montreal's grain-storage capacity must be doubled — forthwith. This would mean new bin space to the extent of 15 millions-of-bushels capacity. By adding more bins to present elevators eight millions of this could be built now at a cost not in excess of 25 cents per bushel of capacity. The machinery now installed in the workhouses of these elevators would be adequate to handle the additional bins.

A new elevator unit, or units, to complete the seven millions required along with the eight mentioned, could be built at a cost of about 60 cents per bushel of capacity. The cost would depend substantially upon the size of the workhouse and its equipment of machinery.

Facilities on Lake Erie

Since the construction of the Government grain elevator in 1908, Port Colborne has become a very important transfer point for grain destined to Montreal and other St. Lawrence ports; but, unfortunately, there has been from year to year much congestion at this port; This was due largely to the inability of Montreal elevators to receive grain from canal vessels promptly on arrival.

When upwards of 50 or 60 loaded canal craft are delayed in Montreal anywhere from one to two or even four, weeks it is manifest that Port Colborne elevator—too small to be anything but a transfer house—must experience congestion. This congestion has cost Montreal the loss of many millions of bushels of grain traffic—principally Canadian grain.

The Government, in 1924, added 1,000,000 bushels of new storage space to the capacity of Port Colborne elevator. Undoubtedly, the reason for not carrying out in full the committee's recommendation was the desire of certain officials to construct much larger storage facilities for grain at the foot of Lake Ontario, to be ready for the opening of the Welland Ship Canal. This project, known as the lower Lake Terminal, was carried out in the erection of a 5,500,000-bushels house at Prescott which was intended to supplant the Port Colborne elevator as an all-water transfer point between Fort William and Montreal. Also, the opinion probably was that it would serve as a new winter storage pool to supply the Maritime ports of Halifax and Saint John, as well as Portland and Boston, while Montreal and Quebec were icebound.

Unsound Project

The economics of the Lower Lake Terminal project were decidedly unsound, as experience has proved. The Prescott elevator, completed in 1930, has handled a distressingly small quantity of western grain, has never been even half full, and seems certain to be an unimportant unit in the future movements of export grain. This project cost Montreal and Quebec the loss of many millions of bushels of grain traffic.

Although the one-million-bushels extension to Port Colborne elevator was completed and in use in November, 1924, congestion, unfortunately, continued to be experienced at this port, year after year. This was due almost entirely to inadequate storage capacity at this port and at Montreal. Naturally, owners of consignment grain will seek the benefit of all free storage possible at trans-shipping points between country elevators and seaboard.

Montreal's storage rates for grain are the highest of competing ports with the exception of railroad-owned elevators in New York which, however, are compelled to provide free lighterage to liners. The state-owned elevator in New York may be considered comparable to Montreal elevators as it receives grain by water via the Erie Canal and delivers it direct to ocean steamers by means of grain spouts.

Much Wheat Available

An examination of the reports of the Dominion Bureau of Statistics discloses the important fact that on February 10, 1933, there was much more wheat in store, in positions tributary to Montreal upon the opening of navigation, than there was on corresponding dates during the previous four years.

The 1933 increase over the average for the previous four years in the quantity of wheat tributary to Montreal amounts to more than 46,000,000 bushels; and the decrease in wheat stored in positions not tributary to Montreal amounts to nearly 19,000,000 bushels.

It is recognized, of course, that a substantial volume of Alberta-stored grain has yet to move out via the Pacific Coast ports; but even if Alberta stocks were left out of the picture entirely, there would still be more wheat "earmarked" for Montreal, so to speak, than has been the case during the past four years. Incidentally, it should be noted that in addition to wheat the Montreal elevators handle during a navigation season a substantial volume of other grain.

The present locations of the stored surplus of Canada's grain should be studied with care by those who will be responsible for its movement to overseas markets.

Instead of holding to the very optimistic view that Montreal will be able this coming season to handle with prompt despatch as much grain as was handled in 1928 those in authority should realize that Buffalo's large-capacity elevator system will not be available (if the British preference ruling is maintained) this coming season to help handle the heavy peak shipments from Lakehead upon the opening of navigation; nor to take —from September until the close of navigation—the bigger share of the load of new-crop shipments.

Lake Vessels Busy

Statistics compiled by the writer, covering the 10-years' period 1920 to 1929, show graphically Canada's dependence upon the fleet of American vessels on the Great Lakes to transport grain from the Lakehead twin-ports. Averaged for the ten years by months the percentage of carryings of Canadian grain by American vessels was as follows: April, 49.4; May, 34; June, 29.6; July, 26.4; August, 16; September, 34.8; October, 44.4; November, 58.8; and December, 64.1 per cent.

It is of great importance to note that the American fleet participated, on the average, in the movement of Canadian grain to a lesser degree during June, July and August—the usual dull season—but was very active during the three months beginning and the three months ending the navigation seasons, when heavy shipments of grain are customary.

Due to the provisions of the Canada Coastwise Act, grain loaded by American vessels at Canadian ports must not be unloaded in another Canadian port, unless the act be temporarily suspended to permit same.

Now that the British preference (and, incidentally, the high premium current on American dollars) favors Canadian routes and seaports, we shall have to depend much more upon the services of Canadian lake-and-canal vessels to carry the peak movements of traffic from Lakehead to Canadian seaports.

Fleet Inadequate?

Therefore, it should be realized that there is a limit to the number of grain vessels that may be detained this coming season under load in the Harbor of Montreal to serve as additional storage for the port.

Manifestly, if too many of these canal-size vessels were, in effect, requisitioned for this purpose, the remainder of the fleet would be inadequate to transport grain as required. The result would be congestion of a serious nature at Lakehead, and the intermediate transfer elevators. Under such circumstances the grain trade would have a sound argument for the reopening of American routes to the unrestricted movement of Canadian grain.

Montreal must realize that the lush foreign markets for grain existent in 1928 are gone. To retain even a moderate share of the overseas wheat trade Canada's grain producers and grain merchants must "scratch" vigorously.

The inland water carriers are doing their part to adjust freight rates on a lower basis to meet the changed conditions.

The Federal Government and the Montreal Harbor Commission should become convinced without further delay that the grain traffic of the port can be no longer regarded as a prize milch cow, able to produce large quantities of nourishing revenue to help carry other harbor services that are not self-sustaining, and for surpluses.

Serious consideration should be given at once to the question of reducing now the port's rates for handling and storing grain; and to a rate policy to be followed upon completion of additional grain storage facilities.

March Moisture Spread Unevenly in Wheat Area

Precipitation was unequally distributed in the Prairie Provinces in March. Alberta, except Calgary, received heavy but widely varying amounts, according to the W. Sanford Evans Statistical Service, Winnipeg.

Little precipitation was experienced in Manitoba, but somewhat better in Saskatchewan notably at Saskatoon and Battleford. The total precipitation since Sept. 1 is now slightly below normal and considerably lower than in the same period of the previous season.

It is thought that parts of northern and northwestern Saskatchewan and northern Alberta will be substantially benefitted by the heavy March precipitation. These are areas which did not receive adequate amounts of rain before freeze up.

The following table gives comparative precipitation for March and for the period Sept. 1 to March 31:

Fall and Winter Precipitation in Prairie Provinces in March and Between Sept. 1 and March 31

	March inches	Sept. 1 to March 31 inches
1932-33	11.29	70.92
1931-32	13.48	85.57
1930-31	14.78	74.48
Normal	9.17	74.89

NEW ESTIMATE ARGENTINE CROP RAISES SURPLUS

Exports Higher in February With Sales to Orient

A second official estimate of the Argentine wheat crop for 1932-33, recently issued by the Ministry of Agriculture, increases the first estimate by 3,597,298 bushels.

This necessitates revision of the statistical position at Feb. 28, according to the Dominion Bureau of Statistics' Buenos Aires correspondent. The recalculated position at that date was as follows:

Second Official Estimate of 1932-33 Wh[illegible] Crop in Argentina and Surplus Availab[illegible] for Export

	bushels
Second estimate	239,154,937
Carry-over from 1931-32	11,220,769
Total	250,375,70[illegible]
Domestic requirements	97,065,800
Bal. avail. for export	153,309,9[illegible]
Exported to Feb. 28	31,853,8[illegible]
Still avail. for export	121,456,0[illegible]

February Exports Up

During February, 17,849,318 bus. were exported from the Argentine, compared with 14,004,504 bus. in January. Of the February exports, it is estimated that from 2,600,000 to 3,000,000 bus. were exported to the Orient. It had been thought that high freight rates would keep Argentine wheat from competing in the Far East, but the rate from Buenos Aires to Shanghai, dropped to 17s. 6d. China and Japan are said to be capable of absorbing a considerable quantity of Argentine wheat.

Only about 10 per cent of the to[illegible] exports this year has gone to Brazil. This is considered disappointing as Brazil was formerly one of Argentina's best customers for wheat.

The Argentine domestic market is reported quiet with no inclination on the part of buyers to purchase ahead. Indifference is shown to inferior grades. Millers are able to obtain their needs in good grades without difficulty.

Some 70,000,000 bus. is reported to have been sold by farmers, but there is a disposition to hold back grain and await better prices. The chief feature of domestic prices in February was the steadiness in quotations.

Cargo Handled Through Halifax

Cargo handled through the Port of Halifax between January 1 and March 10 amounted to 227,480 tons, compared with 203,211 tons in the corresponding period last year, and with 182,262 tons in 1931.

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Current Events in Banking World

STERLING 'CHANGE IS CHIEF SOURCE OF OTTAWA PROFIT

Net Profit of $300,000 on Exchange Transactions Explained

C. N. R. CONTRIBUTES

Manner in Which Railway and Provinces Paid Ottawa Also Nets Profit

From Our Own Correspondent

OTTAWA—The budget announcement of Hon. E. N. Rhodes, minister of finance, that the government had made a profit of $301,000 on premium, discounts and exchange in the past fiscal year, occasioned great surprise at Ottawa and the Finance department is receiving numerous requests for explanations.

Having regard to Premier R. B. Bennett's frequent refernces to the burden of exchange payments on the national treasury, the opinion is now expressed that this problem cannot be as serious as is commonly believed. The profit of $301,000, it is learned from the government accountants, is an actual figure and it does represent the net balance of transactions last year on account, exclusively, of the Dominion.

Mr. Rhodes gave some of the details in his budget speech. The government bought gold from the mines last year, paying the current premium to the producers at the time of each purchase. The total cost of this premium was $7,962,000. Adding sundry exchange items, the total cost came to $8,000,000 in round figures.

A large part of this sum, however, was purely a bookkeeping item as far as the Dominion is concerned. The government gave assistance to the National railways and the provinces in meeting exchange premiums in New York funds.

C.N.R. and Province Pay

If the National railways required New York funds to meet maturing interest or principal, the Dominion shipped the necessary amount of gold to New York, converted it into American funds, and gave it to the National. But the National was charged the exact exchange premium which the Dominion had paid to the mines, plus all expenses of shipping and converting the gold.

Precisely the same policy was followed with the provinces. They were provided with gold or its equivalent in American funds, but they were charged with every cent of the premium cost.

In regard to both the National railways and the provinces, therefore, the premium paid by the Dominion was purely a cross entry. In the case of the National, the premium goes to swell the deficit which ultimately comes back to Ottawa as a part of the debt. And in the case of the provinces, four of them were loaned the money to make their payments. These loans were increased by the amount of the premium, if necessary, and whether or no Ottawa will eventually have to pay depends on the future financal strength of these governments

This leaves the interest and principal payments made on account of the Dominion government.

The figures for 1932-33 have not yet been issued, but will show only a slight increase over 1931-32. In 1932, Dominion interest payable in the United States was $10,843,700 Since then the debt owing has been increased by $20,000,000. An issue of $60,000,000 was placed last fall, but of this $40,000,000 was for purposes of refunding. The interest rate is at four per cent. The total interest payments, therefore, due in the year just past run to $11,643,700.

But interest payable in London in terms of sterling totalled $11,142,780.

Profit on Sterling

The Canadian Government lost the full exchange premium on the interest owing in New York. But it gained the full discount of sterling in paying the interest due at London. In the one case there was a loss of about 15 per cent, and in the other a profit of more than 20 per cent. This net profit accounts for most of the $301,000 shown in the budget speech. The balance represents the exchange and discount profits made by the Dominion in buying Canadian bonds on the London market to maintain sinking funds there. Some Canadian bonds were bought as low as 92 and 93.

This profit will scarcely be realizable this year, as Canadian bonds at London have come up to par in recent months and are not likely to slump in the immediate future.

SIR ARTHUR SALTER TO SPEAK IN CANADA

Will Deliver Massey Lecture at McGill and Address Toronto Club

Sir Arthur Salter, famous British economist and author of the widely acclaimed "Recovery; The Second Effort" will visit Canada in April. The Massey Foundation is bringing Sir Arthur Salter to Canada primarily to deliver the Massey Lecture at McGill. But he will also address the Canadian Club of Toronto on April 24 and engagements have also been arranged in Ottawa, Kingston and Hamilton.

Sir Arthur Salter, who is a product of the British Civil Service and who acted as British Secretary to the Supreme Economic Council in 1919 was for many years director of the economic section of the League of Nations carrying through wide-scale plans for reconstruction in war-torn countries. After eight years of this effort, he resigned and published "Recovery," one of the most widely read economic and social studies to appear since the depression began.

Sir Arthur Salter recently headed the British Royal Commission that studied the relation of railways and road transportation. His studies of the present social and monetary problems of the world have been widely published. In particular, he champions the cause of social and economic planing and it is believed that his views will weigh profoundly with delegates to the forthcoming World Economic Conference.

In a recent foot note regarding Sir Arthur Salter, Vanity Fair said, "He is one of the few political figures in Europe whose reputation has survived the economic tail spin of our years."

Bank Chat on Current Topics

Bank Profits

PROFITS of Canada's chartered banks were over 20 million dollars in 1932, omitting Barclay's, which does not publish its earnings statement.

But they were less than eighteen millions, after deduction of reserves for depreciation of premises and taxes. Perhaps the tax provisions will have to be increased now that the budget is down.

This is all leading up to replying to a comment in a western newspaper. The writer remarked:

"Pity the poor banks. On account of this distressing financial depression with its impoverished farm homes, its mass of unemployed workers and its harassed business men, Canadian chartered banks only made in 1932 a measly profit of $20,509,117. We know a lot of people who would be glad if they could get their hands on the $117, but they are not in the banking business . . . .

"It would be sheer jealousy and selfishness to grudge the banks their gains—wouldn't it now?—you unemployed and poverty stricken farmers."

Bank profits in Canada are reasonable in proportion to the cash actually invested by shareholders. Of the total capital and reserves of Canadian chartered banks, amounting to $306,500,000, over 80 per cent has actually been paid up in cash by shareholders. All the capital, amounting to $144,500,000, and $103,235,000 of the $162,000,000 reserves have actually been paid in by shareholders for stock, and not accumulated from profits.

Only 6.86 per cent was earned by banks on their total capital and reserves in 1932. After deducting provisions for depreciation and taxes, this earings ratio was only 5.76 per cent. We wonder what would be the position of Canada's 4,500,000 bank depositors if the banks did not keep themselves in a position to earn a small return on their capital.

* * *

That Budget

ONE phase of the recently tabled federal budget which has not received much attention is its nuisance effect on banks and bankers. But bankers are becoming accustomed to such nuisances.

As an instance of the nuisance which the budget will be to banks, consider the ownership certificates now required on coupons by the income tax department. It is already causing some trouble with April 1 coupons. Foreign holders of Canadian bonds, particularly those in Great Britain, will probably have their coupons returned to them with requests for certificates. Many of the coupons were mailed to Canadian banks before the budget provision was made known. Readers of The Financial Post knew that this was coming, and should have been able to save themselves this inconvenience.

* * *

Staff Changes

Imperial Bank of Canada announces the following changes in staff appointments:

H. A. CROSS, formerly manager at Queen and Roncesvalles, Toronto, to be manager at Queen and Carlaw, Toronto.

L. T. CHARLTON, formerly manager at Queen and Carlaw, Toronto, to be manager at Listowel, Ont.

M. R. HAY, formerly manager at Listowel, Ont., to be manager at Queen and Roncesvalles, Toronto.

The Bank of Toronto announces the following changes in staff appointments:

H. B. NEWTON, formerly on head office staff, Toronto, to be manager at Oil Springs, Ont.

A. H. JOHNSTON, formerly manager at Oil Springs, Ont., to be manager at Freelton, Ont.

F. W. W. SMALL, formerly manager at Freelton, Ont., to be attached to head office staff.

H. R. CLUFF, formerly on the inspection staff, to be manager at Bloor and Brunswick, Toronto.

Bank of Montreal announces the following changes in staff appointments:

S. HOWELL, formerly manager at Dutton, Ont., to be manager at Highgate, Ont.

G. M. LYONS, formerly manager at Highgate, Ont., to be manager at Danforth and Logan, Toronto.

E. LAGACE, formerly manager at Danville, Que., to be manager at Limoilou branch, Quebec, Que.

J. O. R. METHOT, formerly manager at Limoilou branch, Quebec, Que., to be manager at St. Georges de Beauce, Que.

O. C. SMITH, formerly manager at Okotoks, Alta., to be manager at Elbow Park branch, Calgary, Alta.

N. G. RUNIANS, formerly senior inspector of western branches, Winnipeg, Man., to be assistant manager, Mexico City, Mexico.

Canadian Bank of Commerce announces the following changes in staff appointments:

H. D. MACKENZIE to be inspector at head office, Toronto.

A. E. STRINGER, formerly an inspector at head office to be assistant manager, Toronto.

Bank's Security Holdings Again Reached Record Peak

February Was Fifth Successive Month in Which Government Securities Created Record; Savings Deposits Rose Over 14 Millions

Large increases in savings deposits and holdings of Government securities are shown by Canadian chartered banks in the February statement published by the Department of Finance, Ottawa. Savings deposits rose more than 14 millions and Government securities by more than 13 millions. This marks the fifth successive month in which Government security holdings have made new record highs.

Current loans dropped nearly $22,000,000 in the month, continuing the trend of recent months, which is considered a reflection of general business inactivity.

Among the immediately available liquid resources, there was an increase of over six millions in specie and over three millions in deposits in foreign banks. Call loans abroad dropped about 7½ millions and holdings of Dominion notes slightly more than 5½ millions. Foreign currency declined by $1,267,051.

Municipal Loans Up

Municipal loans were up over six millions in February. There was also an increase of over 1½ millions in loans to provinces. Foreign loans increased more than four millions. There was a decrease of $6,490,558 in foreign deposits. Call loans in Canada dropped by $2,832,665.

The Financial Post credit index dropped to 55.4 per cent in February. This index is a ratio of current and call loans in Canada to total savings and demand deposits. It is now at the level of early months of 1926.

A decrease of $4,800,000 in advances under the Finance Act is shown among the liabilities. This accounts for the most of the decrease in holdings of Dominion notes. There was an increase of $4,271,830 in bank note circulation, which appears to be somewhat larger than the normal seasonal trend for February.

Balances held for Dominion and provincial governments declined materially in February. The former were down over 11 millions and the latter by $1,822,659.

The statement, as arranged in comparative form by The Financial Post from the official figures of the Department of Finance, is as follows:

ASSETS

Immediately Available Liquid Resources

	Feb., 1933	Jan., 1933	Change	Feb., 1932	Change
	$	$	$	$	$
Specie	60,367,526	54,256,224	+ 6,111,302	62,593,953	— 2,226,427
Dom. notes	140,769,571	146,339,166	— 5,569,595	123,813,981	+ 16,955,590
Gold reserve	*19,081,732	18,881,732	+ 200,000	20,081,732	— 1,000,000
Foreign banks	97,043,650	93,780,638	+ 3,263,012	79,360,425	+ 17,683,225
Foreign curr.	16,677,940	17,944,991	— 1,267,051	13,213,996	+ 3,463,944
Govt. secs.	581,282,145	568,196,456	+ 13,085,689	460,030,113	+121,252,032
Call loans ab'd	76,287,191	83,770,260	— 7,483,069	98,954,493	— 22,667,302
	991,509,755	983,169,467	+ 8,340,288	858,048,693	+133,461,062
Loans and Securities Other Than Those of Canadian Government					
Public secs.	168,493,509	168,050,375	+ 443,134	142,735,279	+ 25,758,230
Railway secs.	47,676,945	47,967,688	— 290,743	60,985,568	— 13,308,623
Can. call loans	97,166,190	99,998,855	— 2,832,665	129,767,733	— 32,601,543
Current loans	923,764,135	945,740,389	— 21,976,254	1,063,394,898	—139,630,763
Loans abroad	155,162,061	151,033,947	+ 4,128,114	190,654,928	— 35,492,867
Prov. loans	24,595,787	23,041,425	+ 1,554,312	56,237,585	— 31,641,848
Mun. loans	120,799,070	114,645,673	+ 6,153,397	139,291,699	— 18,492,629
	1,537,657,647	1,550,478,352	— 12,820,705	1,783,067,690	—245,410,043
Other Assets					
Non-curr. loans	13,778,175	13,530,406	+ 247,769	*10,863,877	+ 2,914,298
Real estate	7,623,419	7,580,961	+ 42,458	6,650,184	+ 973,235
Mortgages	6,387,652	6,463,813	— 76,161	6,262,595	+ 125,057
Premises	79,248,175	79,232,160	+ 16,015	79,988,547	— 740,372
Lets. of credit	41,999,250	40,244,749	+ 1,754,501	49,732,168	— 7,732,918
Loans to comp.	12,965,722	13,063,406	— 97,684	12,470,386	+ 495,336
Other assets	1,549,521	1,523,016	+ 26,505	1,657,852	— 108,331
	163,551,914	161,638,511	+ 1,913,403	167,625,609	— 4,073,695
Total	2,692,719,316	2,695,286,330	— 2,567,014	2,808,741,992	—116,022,676
Note cir. dep.	6,605,675	6,605,675	......	6,822,186	— 216,511
Int. bank bal.	82,639,932	81,928,746	+ 711,186	96,819,872	— 14,179,940
Gross	2,781,964,923	2,783,820,751	— 1,855,828	2,912,384,050	—130,419,127
LIABILITIES					
To the Public					
Circulation	121,140,822	116,868,992	+ 4,271,830	134,291,993	— 13,151,171
Dom. Govt.	26,273,504	37,508,522	— 11,235,418	79,764,052	— 53,490,548
Prov. Govt.	18,813,775	20,636,434	— 1,822,659	20,055,312	— 1,241,537
Govt. advances	41,944,000	46,744,000	— 4,800,000	35,500,000	+ 6,444,000
Deposits by Public					
Demand dep.	445,859,615	445,991,023	— 131,408	496,487,296	— 50,627,681
Savings dep.	1,397,063,161	1,382,874,932	+ 14,188,229	1,390,075,363	+ 6,987,798
Total	1,842,922,776	1,828,865,955	+ 14,056,821	1,886,562,659	— 43,639,883
Foreign dep.	309,736,501	316,227,059	— 6,490,558	305,818,182	+ 3,918,319
Due to Banks Abroad, Etc.					
Un. Kingdom	3,722,453	4,899,349	— 1,176,896	4,787,233	— 1,064,789
Foreign	40,557,241	40,723,826	— 166,585	52,022,156	— 11,464,915
Bills payable	585,555	515,809	+ 69,746	2,568,542	— 1,982,987
Lets. of credit	41,999,250	40,244,749	+ 1,754,501	49,732,168	— 7,732,918
Other liab.	2,569,532	2,558,750	+ 10,782	2,766,998	— 197,466
Public liab.	2,450,265,409	2,455,793,845	— 5,528,436	2,573,869,295	—123,603,886
Due bet. banks	10,883,831	9,869,812	+ 1,014,019	9,835,474	+ 1,048,357
Liability to Shareholders					
Dividends	2,986,024	1,156,948	+ 1,829,076	3,516,033	— 530,009
Reserve	162,000,000	162,000,000	......	162,000,000	......
Capital	144,500,000	144,500,000	......	144,500,000	......
Gross	2,770,635,264	2,773,320,605	— 2,685,341	2,893,720,802	—123,085,538
Credit index*	55.4%	57.2%	— 1.8%	63.2%	— 7.8%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

What Editors Say of Banks

Standard Statistics Co., New York—"At the risk of being charged with Pollyannaism, observers are warranted in expecting far-reaching beneficial banking changes to result from the present collapse of the financial structure. The need of recasting domestic banking foundations has become imperative and the temper of the American people is apparently such that a crisis is necessary to the accomplishment of reform.

"Somewhat similar, although less acute, crises resulted in refinements of the Canadian banking system, which has ridden through the present storm without a single failure, and which is now being studied seriously by United States bank critics.

"The Act of 1781, which made permanent the branch banking system of Canada with its asset-secured notes, and which prevented the growth of small institutions by fixing the minimum capital at $500,000, was hastened by the failure of two large banks.

"Closing of the Maritime Bank in 1887 was largely responsible for establishment of the Bank Circulation Redemption Fund in 1891, and later of the Canadian Bankers' Association as an agency in the supervision and control of certain activities of the banks. Failure in 1910 of the Farmers' Bank, which had speculated in a mining venture, resulted in provisions for a shareholders' audit of bank books. In 1923 the Home Bank closed its doors, following which the Canadian Bank Act was amended to provide for Government inspection of the chartered banks.

"From the history of Canadian banking it may be seen that reform is seldom accomplished without travail."

Branch Changes

Canadian Bank of Commerce announces the following changes in branches:

Cartier Avenue, Quebec, Que. — This branch was closed on March 31 and the business transferred to Upper Town, Quebec.

Raymond, Alta.—This branch was closed on March 31.

St. Clair and Glenholme, Toronto—This branch was closed on March 31 and the business transferred to the Earlscourt branch, Toronto.

Schoolmaster of Bankers

Little schoolmaster of Canadian bankers, stalwart citizen of his home community, Belleville's John Elliott left behind him, when he died last week, a tradition in banking citizenship. For nearly fifty years he typified the very best that the branch banking system of Canada produces.

Belleville is today a small city of 13,000 people, centred in a rich dairying country with a historic background of timber and mineral development. In 1906, John Elliott opened there a branch for the Standard Bank of Canada. In twenty-four years he built it up to be one of the most important branches of the bank. With about a score of other branches competing for business in Hastings County Mr. Elliott's branch in time controlled about one-quarter of the wealth of his county. Head office once tried to promote him to a big city main branch. He refused such a left-handed promotion, stayed in Belleville, became an institution.

Authority on Cheese

In three things his banking career stood apart. First, he became the unofficial father of the cheese industry of Hastings County, helped the farmers to run their cheese factories, settled their disputes, taught them how to make better cheese, made three trips to Great Britain to study the requirements of that market, and saved the industry from slow death. His annual "cheese dinner" was Belleville's great farm-city get-together.

Second, he became known in the bank as the best trainer of young men in the whole institution. Practically every important post in the Standard Bank, when it was taken over three years ago by the Canadian Bank of Commerce, was filled by men who had received part of their training under John Elliott.

Third, he became a community leader. He served at various times as mayor, chairman of the board of education, president of the Board of Trade—there are a score of titles in the list. Little useful ever happened in Belleville without his aid.

Story of The Bears

John Elliott would like one amusing story about himself to be told. He was driving off from the first tee at Jasper. There were at least a hundred watchers around. Just as he hitched up his belt for a good swing the crowd started to titter. Fussed, he swung and missed. The titter became a roar of laughter. Doggedly, he swung again. And missed. This was too much. He turned to the gallery to protest. No one was looking at him. Then he discovered that they were not laughing at him but at two playful bears who had run across the fairway a hundred yards in front of the tee. Relieved, he drove the ball over the heads of the bears for a straight 150 yards.

Humanized community banking under the branch system was his logic. Once he said to a representative of The Post:

"I wish you would show me how any independent local bank could have been more of a community institution than our branch has been for a quarter of a century. We have provided a safe deposit for many millions of dollars of local funds in that period. We have loaned our millions of dollars to people in the town and on farms. The money was loaned with local needs and conditions in mind. We did not lose $1,000 in the thousands of farm loans we granted in that time. I had as many as 4,000 savings deposits in a city of 13,000 people, with several other banks in the town. And I think I can say I know this area as well as anyone could know it and I know nearly everybody for miles around."

When the Standard was taken over by the Commerce, Mr. Elliott retired from banking, but not from community leadership. Three years ago he started to write the reminiscenses of a small town banker for the banking department of The Financial Post. The job was never finished. There was too much work to be done in and for Belleville.

John Elliott was the complete answer to any criticism that can ever be made of the branch banking system.

Foreign Exchange

Canadian dollars were inclined to slight strength in the week ended April 3. The quotation for United States dollars in Canada, between 19¾ and 20 5/16 per cent premium, was at its low for the week on April 3.

Sterling was somewhat firmer, although quotations did not show material change in the week. Some observers are not inclined to look for continued strength of sterling at the moment. But there is no reason for changing the observation in this column last week that large dollar and gold balances accumulated by the sterling equalization fund may bring strength to sterling or else will have to be offset by a higher internal price level in the United Kingdom.

* * *

As far as quotations for Canadian dollars, in terms of sterling or United States dollars, are concerned, fluctuations are largely due to the influences of the two major currencies. Canada's relatively small international balance of payments in other currencies has an effect, but this is distinctly subordinate to the dollar and sterling "pulls." Authorities feel that we can do little to alter our currency position between these two heavily weighted influences.

Quotations for the week, as compiled by The Financial Post, are as follows:

FOREIGN EXCHANGE

New York Funds

	High (Premium)	Low (Premium)	Last Year High (Premium)	Last Year Low (Premium)
	%	%	%	%
Mar. 28	20 5-8	20 1-4	11 1-2	11 1-4
Mar. 29	21	20 5-8	11 1-8	10 3-4
Mar. 30	20 11-16	20 3-16	10 7-8	10 1-4
Mar. 31	20 13-16	20 5-16	11 1-8	10 5-8
Apr. 1	20 5-8	20	11 1-8	10 5-8
Apr. 3	20 5-16	19 3-4	11 1-4	11

STERLING, FRANCS AND LIRE

Close: Demand in New York

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.526
Mar. 28	3.41 1-2	0.392 13-16	0.513
Mar. 29	3.41 3-8	0.392 3-4	0.512 3-4
Mar. 30	3.42 7-8	0.392 15-16	0.513
Mar. 31	3.42 1-2	0.392 15-16	0.512 7-8
Apr. 1	3.41 7-8	0.392 7-8	0.512 3-4
Apr. 3	3.42 5-8	0.393 1-16	0.512 1-8

Close: Demand in Toronto

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.0526
Mar. 28	4.12	0.0473 3-4	0.0619 3-4
Mar. 29	4.12 1-4	0.0473 3-4	0.0619
Mar. 30	4.12 1-2	0.0472 3-4	0.0617
Mar. 31	4.13	0.0474 1-4	0.0619 1-4
Apr. 1	4.11 1-4	0.0471 3-4	0.0616
Apr. 3	4.11 3-4	0.0472 1-4	0.0615 3-4

	Reichsmarks	Belga	Yen
Gold par	$0.238	$0.139	$0.498
Mar. 28	0.2877	0.1682 1-2	0.2570
Mar. 29	0.2876 1-2	0.1682 1-2	0.2570
Mar. 30	0.2864 1-2	0.1677	0.2580
Mar. 31	0.2880 1-2	0.1685	0.2590
Apr. 1	0.2864 1-2	0.1676	0.2577
Apr. 3	0.2863 1-2	0.1676 1-2	0.2578

Banker Explains Spread Loan and Deposit Interest

A. S. J. Galloway, manager of the Alymer, Ont., branch of the Bank of Montreal, explained the spread between rates of interest on deposits and loans to a group of Alymer citizens recently.

Mr. Galloway dealt with the three per cent rate on deposits and the charge of seven per cent for loans. He pointed out that savings are collected in small amounts and that the cost of collection, including bookkeeping, stationery, etc., costs about 1¼ per cent. Twenty per cent of the deposits have no earning power as banks must have this proportion available for withdrawals. This adds one half per cent. Business tax also adds one half per cent. It costs banks one per cent to make loans and to pay salaries, rent, light, heat, etc., making a total cost of 6¼ per cent for money when the savings interest is included. On a $100 loan for 12 months at seven per cent, the profit to the bank is, therefore, only about 75 cents.

Vancouver Grain Loading Record

Another grain-loading record was set in the Port of Vancouver the other day when a crew of men poured, loaded and trimmed 8,520 tons of wheat into a vessel in six hours and 40 minutes, or 22½ tons of wheat down the chutes each minute.

A SUPREME DUTY

Every man has a primary duty to protect his home, as far as he is able, and to avoid speculative excesses which may end in disaster. A Savings Account is an investment which gives security, regular income and a cash reserve to meet emergencies.

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Position of Chartered Banks of Canada as of February 28, 1933, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation	Balance Due to Dominion Government	Advances under Finance Act	Balances Due to Provincial Governments	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere	Bal. due to other banks in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable
	$	$	$	$	$	$	$	$	$	$	$
Montreal	31,354,083	10,626,033	9,000,000	3,598,547	124,954,406	395,882,061	65,715,709	2,042,080	868,817	5,122,151	25,315
Nova Scotia	10,415,286	1,506,243	3,214,000	634,122	25,559,427	135,097,211	34,878,673	2,292,593	84,837	1,786,904	163,531
Toronto	5,490,939	1,073,535	1,500,000	1,201,300	20,062,095	61,330,742	....	548,993	186,217	1,280,742	....
Provinciale	3,209,262	539,507	600,000	42,042	3,615,626	31,627,333	....	278	....	35,243	....
Commerce	21,858,110	3,421,326	7,000,000	3,038,437	101,046,485	292,684,223	41,304,568	2,200,607	530,547	8,262,574	510
Royal	27,656,385	4,873,518	15,000,000	6,630,402	111,699,646	263,743,758	165,025,602	1,190,750	224,305	20,641,174	396,199
Dominion	5,685,120	1,199,202	1,456,000	706,929	21,876,113	61,106,873	1,585,397	708,379	60,654	905,228	....
Nationale	8,078,414	1,244,345	2,500,000	1,132,046	16,079,916	79,614,448	1,226,552	534,993	8,443	225,533	....
Imperial	7,151,108	1,380,486	1,590,000	1,679,941	19,849,730	75,155,898	....	1,288,317	177,450	1,110,560	....
Barclays (Canada)	242,115	409,309	84,000	150,000	1,116,171	820,614	....	76,842	1,581,183	1,187,132	....
Total	121,140,822	26,273,504	41,944,000	18,813,775	445,859,615	1,397,063,161	309,736,501	10,883,831	3,722,453	40,557,241	585,555

NAME OF BANK	Letters of Credit outstanding	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities	Capital Authorized	Capital Subscribed	%Last dividend	*Loans to Directors and firms of which they are partners	Average gold and Coin Held	Average Dominion Notes Held	Greatest amount of notes in Circ.
	$	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	5,629,003	1,613,263	909,649	38,000,000	36,000,000	731,341,123	50,000,000	36,000,000	10	2,480,753	18,005,079	57,821,237	32,588,401
Nova Scotia	4,906,988	252,248	8,842	24,000,000	12,000,000	256,800,909	15,000,000	12,000,000	14	2,757,474	9,936,890	11,813,213	10,780,096
Toronto	621,304	147,202	151,985	9,000,000	6,000,000	108,595,066	10,000,000	6,000,000	10	1,027,475	382,300	6,347,200	5,668,609
Provinciale	11,984	532	74,823	1,500,000	4,000,000	45,256,633	5,000,000	4,000,000	7	797,647	249,994	455,681	3,299,322
Commerce	11,083,563	....	761,293	30,000,000	30,000,000	553,192,246	50,000,000	30,000,000	10	6,392,779	11,836,000	30,473,000	22,280,094
Royal	17,535,981	337,311	892,480	35,000,000	35,000,000	705,847,515	50,000,000	35,000,000	10	3,003,934	12,306,171	15,072,120	28,017,983
Dominion	1,319,548	218,938	1,921	9,000,000	7,000,000	112,830,307	10,000,000	7,000,000	10	1,334,518	643,000	5,571,000	5,765,655
Nationale	246,623	....	179,489	7,000,000	7,000,000	125,070,806	10,000,000	7,000,000	10	449,954	996,815	1,380,883	8,269,974
Imperial	618,968	....	5,542	8,000,000	7,000,000	125,008,004	10,000,000	7,000,000	10	403,685	489,464	4,357,423	7,289,933
Barclays (Canada)	25,288	....	....	500,000	500,000	6,602,655	500,000	500,000	......	....	11,553	134,300	254,630
Total	41,999,250	2,569,494	2,988,024	162,000,000	144,500,000	2,770,635,264	210,500,000	144,500,000	......	18,657,219	54,857,266	133,225,865	123,214,537

* And loans for which they are guarantors.

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from other banks in Canada	Due from banks in U.K.	Due from banks elsewhere	Government securities	Canadian municipal British and foreign securities	Railway and other bonds and Stocks	Call loans in Canada	Call loans elsewhere
	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	17,831,906	57,531,696	2,204,088	347,506	16,474,989	3,262	2,588,559	19,830,877	225,838,692	58,702,421	7,155,576	4,323,082	18,444,660
Nova Scotia	9,925,779	12,191,941	743,252	1,427,366	5,430,379	....	1,887,549	7,125,645	48,977,150	19,885,587	7,857,852	11,664,990	1,554,046
Toronto	385,747	7,725,280	438,755	15,778	3,998,800	....	2,270,853	900,865	30,999,501	7,438,032	1,490,953	4,448,920	....
Provinciale§	251,364	287,708	371,770	7,580	1,208,210	1,946,848	1,494	67,014	8,962,173	4,573,475	3,407,938	4,304,448	....
Commerce†	17,490,905	32,041,874	1,531,095	729,889	18,020,297	7,110	739,325	14,830,046	101,153,545	36,387,715	12,408,661	28,671,636	15,913,912
Royal‡	12,315,218	22,385,735	2,209,364	13,989,676	16,198,457	718	2,360,128	37,997,045	86,732,732	21,540,398	9,241,790	26,393,252	39,010,389
Dominion	646,792	3,714,308	549,260	41,275	4,085,785	....	109,600	1,175,652	25,180,323	4,724,575	2,539,323	6,680,567	1,364,184
Nationale‡	1,015,970	1,064,707	801,535	48,509	2,960,578	274,526	29,047	818,799	25,791,613	9,539,013	3,383,136	5,383,173	....
Imperial	491,780	3,690,532	548,040	69,455	5,520,312	605,734	1,181,686	936,160	27,230,362	5,609,495	160,866	5,194,822	....
Barclays (Canada)	12,065	135,790	8,865	807	206,308	1,501,595	2,285,911	198,395	416,054	92,798	30,850	11,300	....
Total	60,367,526	140,769,571	9,196,024	16,677,940	69,104,115	4,339,793	13,463,152	83,580,498	581,282,145	168,493,509	47,676,945	97,166,190	76,287,191

NAME OF BANK	Other current loans in Canada	Other current Loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank Premises	Letters of Credit	Deposit for note circulation	In central gold reserves*	Shares of and loans to controlled companies	Other assets	Total assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	208,947,428	16,004,403	7,897,758	38,742,515	4,231,590	525,808	1,239,163	14,500,000	5,629,003	1,542,872	3,000,000	207,916	57,097	733,802,879
Nova Scotia	86,459,666	14,476,989	44,487	9,492,310	897,793	....	110,343	8,085,165	4,906,988	568,910	1,250,000	2,698,865	117,426	257,790,488
Toronto	38,743,193	....	....	4,774,345	443,042	....	66,451	3,735,174	621,304	306,603	630,866	....	....	109,434,470
Provinciale§	15,130,815	....	....	1,292,679	167,533	592,685	381,938	2,171,434	11,984	197,500	....	....	192,783	46,619,492
Commerce†	175,217,691	16,307,446	7,762,717	23,931,332	2,917,606	2,594,152	2,609,123	15,093,338	11,083,563	1,250,000	8,000,000	3,949,442	361,171	556,003,090
Royal‡	241,827,843	107,438,732	2,897,306	11,555,116	4,019,345	2,452,862	858,090	17,196,500	17,535,981	1,600,000	3,000,000	6,109,499	462,093	707,337,181
Dominion	50,980,552	883,887	....	2,118,706	385,293	70,981	25,360	5,980,462	1,319,548	324,825	400,000	....	143,662	113,454,129
Nationale‡	52,639,262	50,604	3,887,389	9,070,006	336,073	1,214,191	664,859	6,030,339	246,623	366,773	1,200,000	....	72,472	125,780,196
Imperial	53,130,166	....	2,106,180	9,822,061	348,247	172,740	432,325	6,005,763	618,968	433,727	1,600,866	....	142,820	126,052,818
Barclays (Canada)	1,278,519	....	....	....	30,663	....	....	450,000	25,288	14,365	....	....	....	6,690,578
Total	923,764,135	155,162,061	24,595,737	120,799,070	13,778,175	7,623,419	6,387,652	79,248,175	41,999,250	6,605,675	19,081,732	12,965,722	1,549,424	2,781,964,923

*Of this deposit $11,081,732 is in gold coin; the balance is in Dominion notes.
*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.
†The figures of The Canadian Bank of Commerce (California) are incorporated in the above statement.—Footnote to Canadian Bank of Commerce return.
‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above statement.—Footnote to Royal Bank return.
§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in the above return.—Footnote to Banque Canadienne Nationale return.

A. J. Pattison, Jr. & Co. LIMITED
INVESTMENT BANKERS
Dealers in Unlisted Bonds and Shares
Royal Bank Bldg. (Third Floor) Toronto, 2 Elgin 5101 10 Lines

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

TOBACCO OUTPUT ABOVE 1931 TOTAL BUT PRICES POOR

Quantity and Quality of Ontario Flue Crop is Feature

Canada's tobacco production in 1932 amounted to slightly more than 54 million pounds, according to the estimate of the Dominion Bureau of Statistics, compared with the preliminary estimate of 52,700,000 pounds made in January by the Tobacco Service of the Department of Agriculture. The former figure compares with a final estimate for the 1931 crop of 51,300,000 pounds.

An increase of over 3,000,000 pounds in the crop of bright flue-cured tobacco—chiefly grown in Ontario—is the feature of the year's production. This increase is partly offset by a reduction of 2,300,000 pounds in Ontario's other main crop, that of burley. British Columbia, which has a small production of these two types of tobacco, doubled her production compared with 1931, with a total of 382,000 pounds, chiefly bright flue-cured.

Production of Tobacco by Types

	1932 lb.	1931 lb.
Bright flue-cured	27,940,730	24,600,000
Burley	16,701,000	19,000,000
Dark	1,500,000	1,360,000
Cigar	4,138,500	4,100,000
Large pipe	2,961,000	1,700,000
Small pipe	852,500	540,000
	54,092,730	51,300,000

Quebec Output Higher

Despite poor market conditions as far as prices are concerned there was an increased acreage under dark tobacco in Quebec and a resultant increase in crop. Most of this tobacco is grown under contract for two companies and was disposed to them at prices ranging from 6 to 10 cents a pound, the quality being generally poor.

In common with other farm commodities, prices of tobacco showed definite decreases in 1932 compared with the previous year, the decline being greatest in flue-cured tobacco grown in Ontario which decreased about 20 per cent from the 1931 price. Although the Ontario flue-cured crop was one of the finest on record the depressed price of sterling and a bumper crop did much to depress prices. With a considerable amount of the burley crop of common grade, prices were disappointing during the season and toward the close an unsold balance was disposed of at bargain prices.

Market Prices

Commenting on the price situation the report of the Dominion Bureau of Statistics states:

"The fall in tobacco prices was greatest in the case of flue-cured tobacco in Ontario . . . When the market opened in the autumn of 1932, sterling funds in Montreal were approximately 18 per cent lower than at the same time in 1931. The market opened at a top of 24 cents and fell rapidly until a level of around 10 to 13 cents was reached. Increased export orders coupled with the promise of provincial support to the growers steadied the market and prices reacted upward. With practically the whole crop out of the growers' hands, the average price to the farmer for the 1932 flue-cured crop is estimated at about 16 cents.

"The burley market opened with a top price of 12 cents ranging down to 6 cents for the more common crops. Buying was slow and prices remained close to the opening level and averaged about 8 cents. Late in January the growers with unsold crops began disposing of them at sacrifice prices in the neighborhood of 4 cents."

Comparison of farm prices of the various types of tobacco grown in Canada is as follows:

Farm Prices of Tobacco by Types
(cents per pound)

	*1932	1931	1930
Bright flue-cured	16.0	20.5	32.0
Burley	7.0	8.5	15.0
Cigar leaf	4.0	5.0	9.0
Dark air-cured	8.0	10.0	10.0
Dark fire-cured		12.0	14.0
Large pipe	3.5	5.0	10.0
Small pipe	7.0	8.5	16.5

*Preliminary estimates.

Total Retail Trade in Canada

The total retail trade in Canada in 1930 was $3,041,191,000, according to a preliminary report of the Dominion Bureau of Statistics. The summary figures for Canada, including the Yukon and Northwest Territories, show that there were 121,942 retail stores with sales of $2,805,075,800 and 41,094 service establishments with $236,115,200 receipts.

Abitibi Power & Paper Company, Limited
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Owning and operating mills at
Murray Bay, Que.
Beaupre, Que.
Sturgeon Falls, Ont.
Espanola, Ont.
Sault Ste. Marie, Ont.
Iroquois Falls, Ont.
Smooth Rock Falls, Ont.
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Montreal, Toronto and Curb Markets

WEEK ENDING APRIL 3

Range 1933 High	Low	Divd. Rate in $	Yield in % Apr. 1		Sales	Close Mar. 27 (or last)	Week Ending —Apr. 3— High	Low	Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto
April 4, 1933

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.30	.55
Acadia Sugar 6% pfd.	2.60	2.90
Acme Farmers Dairy 7% pfd.	50.00	....
Acme Glove pfd. bonus com.	5.50	8.25
Agnew Surpass 7% pfd.	59.00	65.00
Allens London 7% pfd. bonus c.	30.00	....
Allens St. Cath. 7% pfd. bonus c.	30.00	....
Allens Toronto 7% pfd. bonus c.	16.00	....
Andian Nat. Corp.	19.75	22.50
Atlantic Sugar "A" pfd.	70.00	80.00
B.C. Pulp & Paper pfd.	11.00	....
Burns pfd. bonus com.	2.00	4.00
Canada & Dom. Sugar	20.50	22.00
Canada Machy. c.	2.50	5.00
Canada Mach. pf.	15.50	....
Canada Packers c.	10.00	12.50
Canada Packers 7% pfd.	75.00	....
Canada Starch 7% pfd.	63.00	68.00
Canada Tea 7% pfd.	48.50	54.00
Canada Wire & Cable 6½% pfd. WW	31.50	36.00
Can. Industries c. "A"	72.00	....
Can. Industries c. "B"	67.00	71.00
Can. Industries 7% pfd.	113.50	115.50
Can. Westing.	35.00	37.00
Claude Neon Gen. Adv. Units	....	14.25
Claude Neon Gen. Adv. c.	....	.50
Cons. Div. Standard Sec. pfd.	5.00	....
Dom. Foundries & Steel 8% pfd.	....	62.00
Dom. Foundries & Steel c.	2.75	4.00
Dom. Mfrs. 7% pf.	60.00	69.00
Dunlop Tire 7% pfd.	32.00	39.00
Eastern Dairies Ltd. 7% pfd.	....	48.00
Edmonton Stock-yards Units	38.00	52.00
Federal Grain 6½% pfd.	18.00	25.00
A. J. Freiman pfd.	30.00	40.00
Gen. Steel Wares pfd.	4.75	5.75
Goderich Elevator & Transit	4.00	5.25
Greening Wire 7% pfd.	....	57.00
Guelph Carpet 6½% pfd. bonus	63.00	72.00
Guelph Carpet c.	4.25	....
Inter. Proprietaries "A"	22.00	23.25
Langley's Ltd. 7% pfd.	22.50	....
Loew's London c.	.40	.85
Loew's London 7% pfd.	3.25	4.50
Loew's Toronto 7% pfd.	....	61.00
Massey-Harris 5% pfd.	11.00	12.50
Mount Royal Hotel com.	.25	
Mount Royal Hotel 6% pfd.	2.50	3.50
Nat. Grocers c.	.50	1.00
Nat. Grocers 7% 2nd pfd.	38.00	42.50
Neilson, Wm., c.	3.75	....
Paramount Kitchener pfd.	27.00	....
Para. Oshawa c.	3.50	....
Para. Oshawa pfd.	29.00	....
Provincial Paper 7% pfd.	31.00	36.00
Reliance Grain 6½% pfd.	40.00	44.50
Rolland Paper 6% pfd. WW	23.00	27.00
Standard Clay Products c.	....	14.00
Standard Fuel 6½% pfd. bonus	54.00	58.00
Stop & Shop Ltd. com.	1.30	3.00
Supersilk pfd. bonus	25.50	30.50
Supertest Petroleum "B"	18.00	20.50
Toronto Carpet c.	50.00	....
Toronto Elevators 7% pfd.	69.50	73.50
Ind. Stock cont'd.		
United Grain Growers	10.50	....
Western Grain 6½% pfd. bonus	11.00	17.00
Western Grocers pfd.	....	60.00
Willards Choc. pf.	....	15.00
Insurance Stocks:		
Br. Amer. Assce.	30.00	40.00
Can. Life Assce.	....	395.00
Can. Fire Ins.	47.00	55.00
Confederation Life 20% pd.	124.00	130.00
Continental Life 20% pd.	38.00	46.00
Crown Life Ins.	85.00	108.00
Dom. Fire Ins.	80.50	....
Dominion Life 50% pd.	146.00	233.00
Dom. of Can. Gen. Ins.	90.00	105.00
Empire Life 25% pd.	7.50	11.50
Excelsior Life 30% pd.	80.50	90.00
Fidelity Ins. Co.	46.00	....
Great West Life Assce.	....	245.00
Guarantee Co. of N. A.	241.00	....
Imperial Life	245.00	265.00
Mfrs. Life Ins.	225.00	240.00
Monarch Life 10% pd.	15.50	19.00
National Life 25% pd.	61.00	69.00
Saskatchewan Life 10% pd.	7.50	12.00
Sovereign Life 25% pd.	14.00	19.50
Sun Life Assur.	215.00	255.00
Western Assur. c.	14.50	....
Western Life 20% pd.	7.00	12.00
Trust & Loan Stocks:		
Br. Mtg. & Trust	155.00	165.00
Can. Gen. Invest. Ltd.	2.85	3.05
Chartered Trust	....	68.50
Debenture & Sec. 5% pfd.	6.00	....
Eastern Can. Sav. & Loan	110.00	115.00
Eastern Trust	132.00	142.00
Guelph & Ont. Inv. par $50	48.50	57.00
Investment Foundation Units	17.50	22.00
Lambton Loan & Savings	50.50	55.50
London & Western Trust	....	73.00
Mtge. Disct. pfd.	1.85	....
Premier Trust	68.00	77.00
Provincial Bank	80.00	87.00
Security Loan & Savings	99.00	....
Sherbrooke Trust	100.50	112.00
Sterling Trust	....	53.50
Traders Fin. c.	....	.55
Traders Finance 7% "A" pfd.	18.25	20.00
Trusts & Guar.	34.00	39.00
Victoria Trust & Savings	130.00	140.00
Waterloo Trust & Savings	....	105.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	87.50	90.00
Calgary Power 6% pfd.	63.00	68.00
Can. Light & Pwr. com.	15.25	17.00
Can. West. Nat. Gas LH&P com.	21.50	....
Can. West. Nat. Gas LH&P pfd.	65.00	69.00
Inter. Utilities 1.75 pfd.	....	7.00
Maritime Tel. & Tel. com.	6.50	8.25
Maritime Tel. & Tel. 7% pfd.	10.00	11.50
N.B. Telephone c.	6.00	7.25
Nova Scotia L&P 6% pfd.	65.00	70.00

Recent London Quotations:

Brewers & Distillers	4s. 3d.
Can. & For. Secs.	3s. 6d.
Can. West. Lumber	9d.
Hudson's Bay	17s. 6d.
Do., 5% pref.	62s. 6d.
Internat. Holdings	$1-1/16
Nfld. Pr. & Pap. deb. stock "B"	90½
Trust & Loan of Can.	9d.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.

April 4, 1933

	Rate	Actual Maturity	Next Int. Date	Price	Yield
*Alberta	4½	1 Oct., 1958	1 Oct.	80.00	6.05
Alberta	5	1 July, 1943	1 July	86.00	6.90
Alberta	6	1 Mar., 1947	1 Sept.	96.00	6.44
*British Columbia	4½	1 Oct., 1953	1 Oct.	82.50	5.99
*British Columbia	5	15 Jan., 1948	15 July	88.00	6.24
British Columbia	6	15 Feb., 1947	15 Aug.	98.00	6.21
Manitoba	4	1 July, 1947	1 July	79.50	6.15
*Manitoba	5	2 Dec., 1959	2 June	87.00	5.98
Manitoba	6	1 Apr., 1947	1 Oct.	96.00	6.44
*New Brunswick	4	1 June, 1948	1 June	89.30	5.00
*New Brunswick	4½	15 June, 1936	15 June	99.85	5.00
New Brunswick	5½	1 May, 1950	1 May	102.50	5.28
*Nova Scotia	4½	15 Nov., 1948	15 May	97.50	4.72
Nova Scotia	5	1 May, 1943	1 May	100.50	4.93
*Ontario	4½	1 Sept., 1944	1 Sept.	100.50	4.44
Ontario	5	15 Oct., 1948	15 Apr.	101.50	4.86
Ontario	5½	1 Feb., 1947	1 Aug.	106.25	4.88
P. E. I.	4	1 Apr., 1939	1 Oct.	94.85	5.00
P. E. I.	6	1 May, 1947	1 May	109.15	5.10
*Quebec	4½	1 May, 1961	1 May	97.50	4.40
*Saskatchewan	4½	1 Sept., 1955	1 Sept.	79.00	6.25
*Saskatchewan	5	1 Nov., 1950	1 May	85.00	6.44
Saskatchewan	6	15 Mar., 1952	15 Sept.	92.00	6.75
*Newfoundland	5	31 Dec., 1952	30 June	70.00	8.17
*Newfoundland	5½	1 July, 1939	1 July	78.00	10.98
*Newfoundland	6½	30 June, 1936	30 June	89.00	13.12
Cities					
*Montreal	5	1 Sept., 1963	1 Sept	100.50	4.97
*Toronto	4½	1 Jan., 1955	1 July	96.00	4.81
*Vancouver	5	15 Jan., 1970	15 July	83.00	6.17
Winnipeg	5	1 Mar., 1944	1 Sept.	90.15	6.25
*Edmonton	5½	1 Apr., 1947	1 Oct.	82.85	7.50
Calgary	5	1 Jan., 1943	1 July	79.60	8.00
Halifax	6	1 July, 1951	1 July	107.55	5.35
Saint John	5	15 Dec., 1950	15 June	96.35	5.25
Regina	4½	1 July, 1950	15 June	71.00	7.50
Victoria	5	21 July, 1945	21 July	87.30	6.50
Quebec	5	1 June, 1948	1 June	101.00	4.90

*Payable in New York.

Listed Bond Quotations

Week Ending April 3

Montreal	Int. Rate	Due	Yield†	Latest Bid	High	Low	Range, 1933 High	Low
Abitibi, 1st mtge.§	5	1953	...	13	...	...	*46½	19¼
Asbestos	5	1942	...	21	...	...	*65½	49
Asbestos, 1st mtge.	6	1941	...	5½	...	...	*20	14
Do., gen. mtge.	6	1956	...	...	...	...	*9	...
Can. Cons. Rub.	6	1946	...	...	...	...	62	...
Can. Cottons	5	1940	...	...	...	...	*91	90
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Locomotive	6	1951	...	...	...	...	19½	19½
Can. Pr. (Laur.)	5½	1958	...	†5	...	...	*7	5
Do. (Way. Ser.)	5½	1958	...	...	...	...	*28½	5½
Can. S.S. Debs.	5	1943	...	...	...	...	*83½	...
Cedars Rapids	5	1953	...	...	...	...	108	108
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dominion Coal	5	1940	...	...	...	...	37	...
McNish	6	1948	...	...	...	...	1.50	1.00
Mex. L. & Pr.	5	1940	...	1.00	...	...	*73½	70½
Mtl. L.H.&Pr. debs.	3	1939	...	55	...	...	43	39½
Mont. Tr. 1st mtg.§	5	1941	5.54	41	42	41	98½	96½
Mont. Trams. "A"§	5	1955	8.80	†97½	96½	...	77½	58
Do., G. & Ref. "B"	5	1955	7.47	...	63½	68	73½	...
Do., "C"	4½	1955	9.03	...	57	...	57	57
Do., "D"	5	1955	7.14	...	...	...	77½	76¼
N. S. Steel	5	1959	...	†78	...	...	*62½	59
Ontario Steel	6	1943	...	80	...	...	*100½	...
Porto R. Pr.	5	1936	...	...	...	...	*93	88
Steel of Canada§	6	1940	...	102	...	...	*102½	100
Wayagamack	6	1951	...	...	...	...	*75	45
Winnipeg Elec.§	5	1935	...	...	...	...	*86	...
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Canada§	6	1940	...	...	...	...	*102½	...
Dominion Govt. Bonds (Montreal)								
War Loan§	5	1937	...	114.00	...	...	116.25	115.80
Victory Loan	5½	1933	4.18	100.35	...	...	100.75	100.30
Do.	5½	1934	4.35	101.25	100.45	100.40	102.60	101.35
Do.	5½	1937	3.06	109.75	....	....	110.25	110.00
Do., refund	4½	1940	4.54	98.87	....	....	101.25	99.70
Do., refund	5	1943	4.70	101.75	....	....	103.37	101.85
Do., refund	4½	1944	4.60	98.12	....	....	99.75	....
Do., refund	4½	1946	4.57	98.00	....	....	*98.25	91.50
Do., renewal	4	1952	4.60	91.50	....	....	98.25	91.63
Conversion Loan	4½	1956	4.60	96.75	....	....	98.50	97.00
Do.	4½	1957	4.78	96.75	....	....	98.25	96.00
Do.	4½	1958	4.62	97.50	97.75	....	99.37	97.75
Do.	4½	1959	4.64	97.75	....	....	100.15	97.50
Nat. Service Loan	5	1936	4.10	101.75	....	....	103.25	101.50
Do.	5	1941	4.75	101.62	....	....	103.75	100.75

†Latest ask ‡Quotations for 1930. *For 1931. *For 1932. None recorded in 1933 to date. §Payable in Canada and New York

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotaiton giving an idea of approximate price is better than none at all.

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Ajax Oil & Gas	8%	2%	Apr. 15	Apr. 8
Belding Corticelli, c.	4%	1%	May 1	Apr. 15
Bell Telephone	6%	1½%	Apr. 15	Mar. 23
Brit. Col. Power "A"	$2	50c	Apr. 15	Mar. 31
Canada Dry	$1	25c	Apr. 15	Apr. 1
Canada Packers, pref.	$7	$1.75	Apr. 1	Mar. 15
Can. Dredge, pref.	7%	1¾%	May 1	Apr. 13
Can. Fairbanks, pref.	$6	$1.50	Apr. 15	Mar. 31
Canadian Bronze	60c	15c	May 1	Apr. 20
Do., pref.	$7	$1.75	May 1	Apr. 20
Confederation Life	$4	$1	Mar. 31	Mar. 24
Can. Industries, pref.	$7	$1.75	Apr. 15	Mar. 31
Do., com. "A" & "B"	$3.50	87½c	Apr. 29	Mar. 31
Can. Northern Power	80c	20c	Apr. 25	Mar. 31
Do., pref.	7%	1¾%	Apr. 15	Mar. 31
Canadian Car, pref.	$1.75	44c	Apr. 10	Mar. 27
Canada Bud Brew.	60c	15c	Apr. 15	Mar. 31
Can. Iron Fds. pref.	$3	$1.50	Apr. 30	Apr. 15
Dominion Textile, pref.	$7	$1.75	Apr. 15	Mar. 31
Dominion Bridge	$2	50c	May 15	Apr. 29
Dominion Stores	$1.20	30c	Mar. 30	Mar. 15
Dome Mines	$1	25c	Apr. 20	Mar. 31
Do., extra	...	20c	Apr. 20	Mar. 31
Dominion Rubber, pref.	7%	1¾%	Apr. 12	Apr. 4
Eastern Can. Savings	$8	$2	Apr. 1	Mar. 20
Edmonton C. Dairy, pf.	$6.50	$1.62½	Apr. 1	Mar. 15
Hollinger Gold	65c	5c	Apr. 22	Apr. 7
Howe Sound	40c	10c	Apr. 15	Mar. 31
Inter. Hydro Elec. pfd.	$3.50	87½c	Apr. 15	Mar. 28
Inter. Nickel, pref.	7%	1¾%	May 1	Apr. 1
Imperial Bank	$10	$2.50	May 1	Mar. 31
Invest. Foundation pfd.	$1.50	37c	Apr. 15	Mar. 31
Do., on arrears	...	13c	Apr. 15	Mar. 31
Imperial Life	$15	$3.75	Apr. 1	Mar. 31
Maritime Tel. & Tel., pfd.	70c	17½c	Apr. 1	Mar. 15
Do., com.	60c	15c	Apr. 1	Mar. 15
McColl-Frontenac, pfd.	6%	1½%	Apr. 15	Mar. 31
Montreal Telegraph	8%	2%	Apr. 15	Mar. 31
Montreal L. H. & Pr.	$1.50	37c	Apr. 30	Mar. 31
Montreal Tramways	$9	$2.25	Apr. 15	Apr. 6
National Biscuit	$2.80	70c	Apr. 15	Mar. 17
Northern Ont. Power	$2	50c	Apr. 25	Mar. 31
Do., pref.	6%	1½%	Apr. 25	Mar. 31
North Star Oil, pref.	7%	1¾%	Apr. 15	Apr. 5
Perfection Petrol.	$1.50	37½c	Apr. 1	Mar. 31
Penmans	$3	75c	May 15	May 5
Do., pref.	$6	$1.50	May 1	Apr. 21
Power Corp. pref.	$6	$1.50	Apr. 15	Mar. 31
Do., 2nd pref.	$3	75c	Apr. 15	Mar. 31
Silverwoods, pref.	4%	1%	Apr. 3	....
Southern Can. Power, pfd.	6%	1½%	Apr. 15	Mar. 20
Simpson, Robt., pref.	$6	$3	May 1	Apr. 15
Southern Can. Power c.	$1	25c	May 15	Apr. 29
Steel of Canada	$1.20	30c	May 1	Apr. 7
Do., pref.	$1.75	43¾c	May 1	Apr. 7
Toronto Elevators, pref.	$7	$1.75	Mar. 15	Apr. 1
Teck Hughes	60c	15c	May 1	Apr. 13
Thayers, pref.	...	*87½c	Mar. 15	Mar. 6
Tuckett Tobacco pfd.	$7	$1.75	Apr. 15	Mar. 31
United Securities	$2	50c	Apr. 15	Mar. 31
Western Grocers pref.	$7	$1.75	Apr. 15	Mar. 20

*Covers payment due Jan. 3, last and deferred.

Dividends Passed or Deferred:

Chartered Trust, Apr. 1, passed. Last paid $1 Jan. 3, 1933.

Dominion Foundries & Steel, pref., Mar. 1, passed. Last paid $1.50 Dec. 1, 1932.

East. Dairies, pref., Apr. 15, deferred. Last paid $1.75 Jan. 16, 1933.

National Steel Car, Apr. 1, passed. Last paid 20c. Jan. 2, 1933.

Toronto Dairies, pref., Mar. 15, deferred. Last paid 35c Sept. 15, 1932.

Dividend Rate Reduced:

Bell Telephone, Apr. 15, $7 to $6 per annum.
Canada Bud Brew. Apr. 15, $1 to 60c per annum.
Steel of Canada, c. May 1. $1.75 to $1.20 per annum.
Ajax Oil & Gas, Apr. 15, 12c to 8c per annum.
Can. Bronze, c., May 1, $1.25 to 60c per annum.
Belding Corticelli, c., May 1, 7% to 4% per annum.
Silverwood's, pref., Apr. 3, 7% to 4% per annum.
Maritime Tel. & Tel., c., Apr. 1, 80c to 60c per annum.

Extra Dividends:

Dome Mines, 20c. Apr. 20.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
April 4, 1933

Industrial Bonds:	Bid	Asked
Abitibi P. & P. 5% 1953	13.25	14.50
Acadia Sugar 6% 1946	84.00	87.00
Alta. Pac. Grain 6% 1946	78.00	81.00
American Sales Book 6% 1939	107.00	....
Arnold Bros. 6% 1947	30.00	35.00
B. A. Oil 5% 1945	88.00	91.00
Can. Biscuit 6½% 1946	....	20.00
Can. Bread 6% 1941	78.00	84.00
Can. Cement 5½% 1947	52.00	66.00
Can. Steamship 6% 1941	15.00	17.50
Can. Canners 6% 1950	50.00	55.00
Can. Bakeries 6½% 1945	71.00	75.00
Can. Copper Refin. 6% 1945	102.00	104.00
Can. Cottons 5% 1940	82.00	86.00
Can. Vickers 6% 1947	53.00	57.00
Cons. Invest. 4½% 1959	25.00	28.00
Cosmos Imp. Mills 6½% 1944	80.00	85.00
Davies, Wm. 6% 1942	86.00	90.00
Debenture & Sec. 4% 1936	52.00	56.00
Dom. Manufacturers 6% 1933	95.00	....
Dom. Tar & Chemical 6% 1949	54.00	57.00
Dom. Telegraph 5½% 1978 "A"	86.00	90.00
Dom. Textile 6% 1949	99.00	....
Dom. Woollens 6% 1948	13.00	16.00
Donnacona Paper 5½% 1948	16.00	17.00
Eaton Realty 5% 1949	79.00	82.00
Famous Players 6% 1948	....	58.00
Famous Players 6½% 1948	....	35.00
Federal Grain 6% 1949	76.00	81.00
Fraser Cos. 6% 1932	8.00	10.00
Fraser Cos. 6% 1950	8.00	10.00
Galt Brass 7½% 1941	....	30.00
Goodyear Cotton 6% 1949	99.00	....
Great Lakes Paper 6% 1950	15.50	17.00
Gypsum, Lime & Alab. 5½% 1948	30.00	32.00
Harris Abattoir 6% 1947	87.00	90.00
Howard Smith 5½% 1953	55.00	57.50
Loew's Toronto 6% Serial	100.00	....
London Realty 6½% 1950	32.00	37.00
Maple Leaf Milling 5½% 1949	....	35.00
Massey-Harris 5% 1947	46.50	50.00
McColl-Frontenac 6% 1949	80.00	84.00
McKinnon Industries 6½% 1945	94.00	....
Mercury Mills 5½% 1953	....	30.00
Metropolitan Bldg. 7% 1944	85.00	....
Nor. Ont. Bldg. 6½% 1939	60.00	65.00
Price Bros. 6% 1943	26.00	30.00
Richmond Bay 6½% 1947	64.00	67.00
Simpsons Ltd. 5½% 1949	37.00	40.00
Simpsons Ltd. 6% 1949	39.00	41.00
Steel of Canada 6% 1940	103.00	106.00
Toronto Carpet 6% 1944	75.00	85.00
United Gas & Fuel 5½% 1948	48.00	54.00
United Grain Growers 5% 1948	76.00	78.50
United Grain Growers 5½% 1949	79.00	81.50
Wabasso Cotton 7% 1942	63.00	....
Western Grain 6% 1949	62.00	65.00
Public Utility Bonds:		
Bell Telephone 5% 1955	106.50	110.00
Bell Telephone 5% 1957	104.00	108.00
B. C. Power 5½% 1960	80.00	84.00
B. C. Telephone 5% 1960	82.00	86.00
Calgary Power 5% 1960	76.00	78.00
Can. Northern Pwr. 5% 1953	72.00	74.00
Duke Price Pwr. 6% 1966	56.00	60.00
French Natl. Mail SS 6% 1952	117.00	125.00
Gatineau Pwr. 6% 1941 "A"	51.00	53.00
Gatineau Pwr. 5% 1956	73.00	75.00
Maclaren Quebec 5½% 1961	69.00	72.00
Manitoba Power 5½% 1951	33.00	39.00
Montreal Isl. Pwr. 5½% 1957	90.00	95.00
Montreal LH&P 5% 1951	101.00	105.00
Montreal LH&P 5% 1970	98.50	102.50
Montreal Tram. 5% 1941 July	96.00	98.50
Montreal Tram. 5% 1955	59.50	61.00
Northwest. Utilities 7% 1938	89.00	94.00
Ottawa Valley Pwr. 5½% 1970	93.00	97.00
Quebec Power 5% 1968	89.00	93.00
Rio Tramways 5% 1935	95.00	100.00
Shawinigan W&P 4½% 1970	60.00	....
Shawinigan W&P 5% 1970	70.00	74.50
Shawinigan W&P 6% 1937	82.00	86.00
Southern Can. Pwr. 5% 1955	97.00	100.00
West Kootenay Pwr. 5% 1956	89.00	92.00
Government, Provincial & Railway Bonds:		
C.N.R. 4½% 1951 Dom. Gtd.	97.50	98.25
C.N.R. 4½% 1957 Dom. Gtd.	97.00	98.50
C.N.R. 5% 1969 Dom. Gtd.	102.50	103.75
C.P.R. 4½% 1944	63.00	66.00
C.P.R. 6% 1942	85.50	87.00
Dom. of Can. 5% 1936	101.50	102.50
Dom. of Can. 5% 1941	101.50	102.50
G.T.P. 3% 1962 Dom. Gtd.	78.00	79.00
G.T.P. 4% 1962 Dom. Gtd.	90.00	92.50
Ont. Hydro 3½%, 4%, 5%, 1952 Ont. Gtd.	89.00	90.00
Ont. Hydro 4¾% 1970 Ont. Gtd.	96.00	99.00
Ont. Hydro 4% 1957 Ont. Gtd.	89.00	....
Prov. of N. B. 5% 1957	98.00	99.50
Prov. of Ont. 5½% 1946	105.00	106.00
Prov. of Ont. 5% 1948	100.00	101.50
Prov. of Ont. 5½% 1946	105.00	106.50

Winnipeg Stock Exchange

(Transactions for week to April 1)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Apr. 1
..	..	Blue Ribbon, c.	25	1	1	1
2	..	Do. pref.	50	10	10	10
..	..	Can. Pac. Rly.	4	9¼	9¼	9¼
20	8.2	Great West Life	1	245	245	245
50c	6.2	Imperial Oil	117	8	8	8
1	9.2	Inter. Petroleum	50	10¾	10¾	10¾
..	..	San Antonio	100	.85	.85	.85
1.25	11.9	United Grain Grow.	4	10¼	10¼	10¼
7	12.4	West. Grocers, pfd.	19	56½	56½	56½
..	..	Winnipeg Elec. pfd.	3	5½	5½	5½

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Lumber pf.	..	65	Northern Trust	..	21
Beaver Fire	..	100	Sovereign Life 25% pd.	10	14
Can. Fire Insur.	..	51	West. Breweries	..	1
City Dairy 8% pf.	..	35	Traders' Bldg. Ass.	..	72
Cres. Cream. pfd.	..	45	Can. Amer. Tr. shs.	..	2¼
Home Investment	23	..	Fundamental Ser. A	..	3½
Monarch Life 10% pd.	16	..	Fundamental Ser. B	..	3
Nor. Mtg. part pd.	..	5	Group Inc. shs.	3.00	3.4
Pelissiers, pref.	10	20			

*Stocks more active on other exchanges not included.

Growers' Equity Thin In Saskatchewan Pool

When Balance Sheet is Stripped of Doubtful Assets and Liabilities Not Certain to be Paid—"Equity" of Members Declines to $7,000,000 Odd

The Saskatchewan wheat pool has recently published its balance sheet.

Public interest in the organization rests not only upon the more than $14,000,000 owing to the Saskatchewan Government, but also upon Dominion Government guarantees, one in connection with the marketing of the crop of 1930, and the other in respect to the working capital of the pool, for operation of its country elevators in 1931 and later. Former shareholders of the Saskatchewan Co-operative Elevator Company are still creditors for $1,333,278. To be considered, too, is the position of pool members who were over-paid in the 1929 pool, and who are now indebted to the pool for $13,500,000. And there is the problem of the ultimate control of the organization, and who owns the equity.

Problems To Be Settled

Two problems remain unsettled. One is the financial responsibility of the pool over the marketing of the 1930 crop, financing of which was guaranteed by the Dominion. These accounts are presumably involved with the stabilization operations of the Dominion Government in the wheat market, and until these are untangled, and the affairs of the Central Selling Agency, through which those operations have been conducted, wound up, determination of that liability will be difficult. The other is the fact that the original foundation of the wheat pool—the members' contract to deliver grain—has practically disappeared. Contracts are suspended, and in any event come to an end within a few months. A new foundation has yet to be provided, and although reorganization as a stock company would appear to be an obvious solution, no determination has yet been reached as to the future course.

Figures available for study are contained in the eighth annual report of the Saskatchewan Co-operative Wheat Producers Limited, presented last November and now available in pamphlet form. Included is a consolidated balance sheet as at July 31, 1932, of Saskatchewan Co-operative Wheat Producers Limited, Modern Press Limited, and Saskatchewan Pool Elevators Limited. That balance sheet is a somewhat bewildering document. Assets and liabilities are totalled at the impressive figure of $42,861,302. But included in the assets are items amounting to more than $16,000,000, representing money previously paid out, but of obvious or seeming worthlessness as assets, and this enables the equity of the members to be shown at approximately $24,000,000.

Summary Statement

A more realistic picture is presented in a brief statement, following the balance sheet, of assets, direct liabilities and growers' equity as at September 30, 1932.

This is as follows:

Assets	
Fixed and Sundry	$19,585,499
Surplus Capital	3,741,042
Total Assets	$23,326,541
Direct Liabilities:	
Province of Saskatchewan, account elevator purchase	597,590
Sask. Co-operative Elevator	1,372,278
Province, account 1929-1930 overpayment	13,684,115
Manufacturers' Life	10,500
Total Liabilities	$15,664,483
Growers' Equity	7,662,058
Total	$23,326,541

Assets Are Excised

This is apparently the pool's own view of its position. What, then, are the assets apparently deducted to reduce total assets (as shown by the balance sheet) from $43,000,000 to the more realistic $23,000,000 in the summary statement. As there is a difference of two months in the dates of the statements exact analysis cannot be given but excision of these items would approximate the same result:

Canadian Co-operative Wheat Producers (This is the pool central selling agency, which will presumably have a deficit, to be taken care of by the Dominion Government when its accounts are finally settled.)	$ 1,508,314
Manitoba Co-operative Wheat Producers (In bankruptcy, although there is mortgage security on a terminal elevator for this amount.)	284,419
Growers' overpayments 1929-30 Pool (Presumably uncollectable, except by offset against growers' claims on deduction certificates. A subsequent note shows that interest amounting to $540,610 had been included in this amount, thus capitalizing as an asset the interest which the Pool was called on to pay to the Provincial government on its overpayment indebtedness.)	13,479,797
Operating Expenses, 1930-31 Pool (Presumably uncollectable, except in part or in whole by offset.)	403,193
Investment in Canadian Co-operative Wheat Producers	50,000
Overpayment 1929-30 Pool, company's share (Shown by accompanying notes to represent mainly loss on barley and rye in excess of 18 cents a bushel, which it was decided not to charge against individual growers.)	1,006,521
Growers' Accounts (Shown by accompanying note to be of miscellaneous nature. Would appear to be uncollectable.)	94,190

The above amounts total $16,826,434. The balance sheet can be adjusted to the summary statement by deducting $16,578,318 from the assets. The corresponding adjustment involved would mean wiping out amounts shown as reserves and undivided profits to the total of $5,099,656, and showing a deficit to the extent of $11,478,652.

Doubtful Liabilities

But a deficit to that amount can only be calculated if the amounts shown on the balance sheet covering liabilities to growers are regarded as real liabilities. They are as follows (eliminating reserve and undivided profits):

Elevator deductions	$12,188,060
Commercial reserve	6,567,851
Membership subscriptions	18,957
Capital	84,731
Interest payable on 1928-29 deductions	281,111

The elevator deductions and commercial reserve were contributed by pool members as deductions at set rates per bushel from their pool payments. In theory they were to be interest bearing, and were to be repaid at some time in the future. But, since to continue to regard them as pool liabilities means recognizing a deficit of over $11,000,000, it would seem inevitable that they should be written down and capitalized at a lower figure. The mere set-up of the figures suggests that an easy way out would be to issue capital stock to the extent of 25 or 30 per cent of these deductions, and to establish a new reserve to balance the organization's assets.

That is perhaps easier to suggest than to work out, since the problem of the ownership of the shares might be difficult to solve by agreement. Two different sets of owners could be established by two different methods. A separate account might be established with each member, charging him with the amount of his over-payment and crediting him with deductions contributed, which would probably leave some members with small or no credits, or conceivably with deficits. On the other hand, the organization might decide to wipe out all over-payments claims, which would increase the interest of some members and decrease that of others. Sooner or later, it would seem, the Saskatchewan pool must address itself to a solution of this problem.

Position of Dominion Government

The balance sheet indicates no danger to the Dominion Government as guarantor of the current borrowings of the Saskatchewan pool. While grain loans are shown at $882,000 at July 31 last, grain stocks were $5,560,191. Continuation of such guarantees by the Government for any length of time must be regarded as unlikely, but the pool statement calculates a surplus capital of $3,741,042, an amount on which it should be possible for it to continue its operations when the guarantee is withdrawn.

Quite different is the position of the Dominion Government with respect to its guarantee of the pool marketing of the 1930 crop, which was handled through the Central Selling Agency. The existence of a liability is recognized in the pool balance sheet by reference to "Undetermined amounts in respect of bank loans of the Canadian Co-operative Wheat Producers Limited." But as such loans are also guaranteed by the Dominion Government, it is doubtless to the latter that the banks would look, leaving it to the Dominion Government to settle with the pool. If it turns out that there is any large deficit it is difficult to see how payments for its share could be enforced against the Saskatchewan pool, with its assets already pledged to the Saskatchewan Government, as the result of the province's guarantee of 1929 pool selling.

Saskatchewan's Position

The Provincial Government is a creditor of the pool to the extent of $14,500,000, payment of which, with interest at 5 per cent has been promised within a period of 20 years. The province has issued bonds to a corresponding amount. There is mortgage security on the pool elevators to cover. Fixed assets are shown at approximately $19,000,000, while the mortgage debt against them is over $15,500,000. The ratio of over 80 per cent is undoubtedly high. To clear it off is not to be regarded as an impossible task, but it will undoubtedly prove difficult, and will require all the resources of good management that can be brought into service. The close collection of the amounts due the province, on principal and interest, which the financial exigencies of the Government will demand, will doubtless be an influence toward good management.

Elevator Shareholders

Shareholders of the Saskatchewan Co-operative Elevator Company are still to receive $1,372,278 of the amount for which they sold their elevators, having been paid off to the extent of nearly 90 per cent. They would seem reasonably well assured of this payment, as they have mortgage security ranking ahead of the Government's claim although they might well have to consent to some further postponement of payment.

"Over-paid" Members

There is evidently called for an early settlement of the position of the pool members who in theory, and according to the balance sheet, are indebted to the pool for over-payments received in connection with the 1929 pool. Any theory that nearly $13,500,000 can be collected from Saskatchewan farmers to offset pool losses on that crop must be considered fantastic, and it is still more so to go on charging up interest. To continue claiming such an obligation is simply to complicate the debt situation of Saskatchewan farmers. Most of the necessary write-off can doubtless be accomplished by offsetting reductions in the counterclaims of members on account of their contributions to elevator and other deductions.

Alberta's Unemployed 54% Foreign Born

More than half of the single men registered as unemployed in Alberta since the Alberta relief commission took over administration of relief are foreign-born and only three per cent Alberta-born, according to the report of the commission to be forwarded to Prime Minister Bennett.

Only 1,670 out of 7,895 men registered for relief were born in Canada, the report shows. There were 1,720 born elsewhere in the British Empire and 4,250 in foreign countries, including 210 born in the United States. Most of the registrants were between the ages of 21 and 40. Only 225 were under 20, while 350 were over 60.

Even granting highly successful results from the operation of the elevator system, any early payment out of earnings to the owners of the "members' equity" would seem to be precluded. Operating earnings must evidently first be applied to taking care of interest, then to building up a sufficient volume of working capital to enable the organization to function without further guarantees by the Dominion Government, if that point has not yet been reached, and next, to reducing capital obligations. Only after substantial improvement in the capital set-up of the organization could there be any reasonable expectation of dividends or of interest to members, while of course any expectation of repayment of the "deductions" should be abandoned.

The pool elevator system covers the province of Saskatchewan very thoroughly, and includes terminal elevators at the Head of the Lakes. Although built and purchased during a period of high prices, and doubtless reflecting some of the overbuilding of elevators which was in progress in Western Canada up to a few years ago, it is doubtless on the whole a good system of elevators. The terminal elevator at Buffalo, owing to changed conditions at that port, may be of somewhat more doubtful value than the rest of the plant. The earning power of the system, like that of every other elevator company, was impaired to some extent by the recent action of the Dominion Government in forcing a reduction of storage charges, and future action in that respect will be important.

Mining Stock Quotations

Week Ending April 3.

Par Val.	Range 1933 High	Range 1933 Low	Company	Sales	Close Mar. 27 (or last)	High for week	Low for week	Close Apr. 3
1	.05	.02	Abana	.....	.04	.....	.....	.....
1	.01½	.00½	Aconda	.....	.01	.....	.....	.....
No	*.15	.15	Aldermac	.....	.....	.....	.....	.....
1	.03½	.01	Alexandria	14,500	.01½	.02	.01½	.01½
No	.05½	.02½	Algoma	12,500	.02½	.02½	.02½	.02½
1	.01	.00½	Algonquin	.....	.00½	.....	.....	.....
1	.01½	.00½	Amity C.	2,000	.01	.01½	.01	.01½
No	.25	.10	Amulet	4,125	.16	.16½	.15½	.15½
1	.01	.00½	Apex	1,000	.00½	.00½	.00½	.00½
1	.03½	.02	Area	2,500	.02	.02	.02	.02
No	.04½	.01½	Arno	301,450	.02½	.03	.02½	.02½
1	1.36	.74	Ashley Gold	1,955	1.29	1.30	1.25	1.26
1	.14	.02½	Bagamac	17,200	.07	.07	.06	.06
1	.03	.00½	Baldwin	.....	.00½	.....	.....	.....
1	.20	.08	Barry Hollinger	32,550	.12½	.13	.10½	.11½
No	1.00	.75	Base Metals	100	.85	.80	.80	.80
No	1.00	.98	Beattie	.....	.98	.....	.....	.....
1	.21	.08	Big Missouri	6,300	.14	.14½	.13	.13
1	.18	.08½	Bobjo	18,900	.11	.11½	.10½	.10½
No	2.33	2.28	Bralorne	800	.....	2.33	2.28	2.33
1	.25	.15	Brett Trethewey	7,600	.18	.18	.16½	.15½
1	.03½	.01½	Brownlee	17,160	.02½	.02½	.02½	.02½
1	.01	.00½	Buckingham	.....	.00½	.....	.....	.....
No	.04½	.02½	Buffalo Can.	4,500	.03½	.02½	.02½	.02½
No	.03½	.01½	Bunker Hill	23,500	.03½	.03½	.03	.03½
5s	.65	.60	B'Wana McKubwa	.....	.65	.....	.....	.....
No	.04	.02½	Canam Metals	.....	.02½	.....	.....	.....
1	.12½	.03	Can. Kirkland	25,868	.04	.07	.04	.07
1	.01	.00½	Capital Rouyn	2,000	.00½	.00½	.00½	.00½
1	.03½	.01	Cartier Malartic	.....	.01	.....	.....	.....
1	.30	.15	Castle Trethewey	6,250	.20½	.23	.19	.19
1	.15	.06	Cen. Manitoba	1,400	.08	.08½	.08	.08
1	.28	.17	Cen. Patricia	6,950	.18	.19	.17½	.19
No	.11	.03	Chibougamau Pros.	1,000	.06½	.06½	.06	.06
.	.10½	.05	Church. M. & Mill	500	.05½	.05	.05	.05
No	.02½	.00½	Clericy	1,500	.01½	.01½	.01½	.01½
.	.01½	.01	Clifton Cons.	.....	.01	.....	.....	.....
5	3.20	1.65	Coast Copper	965	2.95	2.74	2.50	2.50
1	.02½	.00½	Cobalt Contact	7,600	.01½	.01½	.01	.01
1	.11	.05	Columario	1,200	.05½	.06	.05	.05
5	1.05	.75	Coniagas	.....	.75	.....	.....	.....
No	.45	.20	Coniaurum	2,760	.30	.31	.29	.29
25	72.62	54.00	Cons. Smelters	3,630	66.00	66.50	60.00	60.50
No	18.50	13.60	Dome Mines	4,865	15.50	16.50	15.25	15.50
No	.05½	.03	Dom. Explorers	4,500	.04	.04½	.03½	.03½
1	.01	.00½	Dominion Kirk.	.....	.01	.....	.....	.....
1	.04	.01	Don Rouyn	.....	.01½	.....	.....	.....
1	.04½	.02	Duparquet	1,000	.03	.02½	.02½	.02½
1	1.61	1.16	Eldorado	7,560	1.35	1.37	1.30	1.33
No	2.75	1.80	Falconbridge	7,046	2.40	2.45	2.30	2.35
1	.02½	.01	Federal	.....	.01½	.....	.....	.....
No	.02½	.01½	Flintoba	.....	.02	.....	.....	.....
No	.02½	.01	Gilbec	16,100	.02½	.02½	.01½	.01½
1	.07	.04	Goldale	5,000	.05½	.06	.05½	.06
10	.15	.10	Goldfield	.....	.10	.....	.....	.....
1	.00½	.00½	Gold Hill	8,500	.00½	.00½	.00½	.00½
.	.01½	.01	Gold Reef	.....	.01	.....	.....	.....
1	.04½	.02	Goodfish	100	.02	.02	.02	.02
1	.03½	.01½	Graham	.....	.02½	.....	.....	.....
1	1.95	1.19	Granada	15,625	1.18	1.36	1.23	1.30
1	.08	.06	Groselle	1,000	.08	.07	.07	.07
1	.28	.24	Halcrow Swayze	11,100	.26	.28	.27	.27½
1	.04½	.02	Harker	10,500	.03	.03½	.03½	.03½
1	.01½	.00½	Hilltop	1,000	.01	.00½	.00½	.00½
5	8.75	6.00	Hollinger	13,077	6.90	7.40	6.90	7.35
1	.95	.61	Howey Gold	18,050	.64	.69	.63	.66
No	4.25	3.10	Hudson Bay	920	3.85	3.80	3.65	3.75
No	.40	.25	Huronian	4,020	.33	.30	.30	.30
No	11.12	8.00	Int. Nickel	19,410	9.75	10.12	9.37	9.62
1	.02	.00½	Jackson Manion	500	.01	.01	.01	.01
1	.35	.20	Keeley	10,164	.30	.35	.30	.33
1	.02	.00½	Keora Mines	2,000	.00½	.00½	.00½	.00½
1	.76	.48	Kirk. Hud. Bay	500	.48	.50	.50	.50
1	.02½	.00½	Kirk. Hunton	500	.00½	.00½	.00½	.00½
1	.40	.25	Kirkland Lake	6,850	.35	.36	.32	.33
1	.03	.01½	Kirkland Premier	2,000	.02½	.02½	.02½	.02½
1	.22½	.12	Kirk Townsite	54,600	.12	.18½	.12½	.18
20c	.01½	.00½	Koot. Florence	.....	.00½	.....	.....	.....
1	*.01½	.01½	La Rose	.....	.....	.....	.....	.....
1	.18	.08	Lake Maron	11,700	.13	.14½	.13½	.14½
1	.35	.18	Lakeland	.....	.20	.....	.....	.....
1	40.00	30.75	Lake Shore	11,129	31.50	32.90	31.00	32.35
1	.07½	.02½	Lebel Oro	1,500	.05½	.05	.05	.05
1	.36½	.20	Macassa	59,900	.30	.33½	.29	.32½
1	.09½	.05	Malartic	36,000	.08	.09½	.08	.09
1	.02½	.01	Malrobic	126,000	.01½	.02	.01½	.02
No	.08	.02½	Mandy	500	.04	.03½	.03½	.03½
No	.03	.01½	Manitoba Basin	23,500	.01½	.01½	.01½	.01½
5	27.60	21.20	McIntyre	4,175	22.75	24.15	22.85	23.25
1	.50	.30	McKinley	.....	.41	.....	.....	.....
No	.08	.02½	McLeod River	77,600	.03	.02½	.02½	.02½
1	.09	.03	McMillan	5,000	.06	.07	.06	.07
No	.75	.46	McWatters	5,400	.58	.59	.55	.55
1	.32	.15	McVittie	16,600	.28½	.30	.27	.28
5	1.00	.06	Mentor Exp. & Dev.	.....	1.00	.....	.....	.....
No	1.80	1.20	Mining Corp.	2,735	1.40	1.40	1.30	1.30
1	.03	.01½	Moffatt Hall	32,500	.02	.02½	.01½	.02
1	.06½	.02	Moneta	.....	.04	.....	.....	.....
1	.40	.12	Moss	28,000	.15	.15½	.13	.15
1	.02½	.00½	Murphy	5,500	.01½	.01½	.01½	.01½
No	.05	.02	Newbec	3,500	.03	.03	.02½	.02½
1	.06	.01	Night-Hawk Penn	2,000	.04	.02½	.02½	.02½
5	1.55	1.15	Nipissing	1,100	1.55	1.50	1.47	1.50
No	25.50	19.75	Noranda	13,906	22.20	23.00	21.15	21.80
No	.50	.32½	Nor. Canada	5,300	.37	.40	.36	.40
No	.23	.20	Normont-Gold	5,500	.22½	.23	.21½	.22½
No	.02	.01	Old Colony	105,300	.02	.02	.01½	.01½
1	.14	.05	Osisko	.....	.08	.....	.....	.....
1	.30	.08	Parkhill	28,900	.20½	.21	.20½	.20½
1	.03½	.01½	Pawnee Kirk.	5,500	.02½	.02½	.02	.02
1	.75	.54	Pend Oreille	4,950	.63	.75	.68	.72
1	.01½	.00½	Peterson Cobalt	.....	.01	.....	.....	.....
1	6.25	4.30	Pioneer Gold B.C.	21,230	5.70	6.25	5.60	6.10
1	.01½	.00½	Porcupine Crown	2,000	.00½	.00½	.00½	.00½
1	.01	.00½	Potter Doal	.....	.00½	.....	.....	.....
1	*.12	.12	Powell Rouyn	.....	.....	.....	.....	.....
1	.82	.60	Premier Gold	625	.70	.70	.68	.70
1	.02½	.01	Preston E. Dome	.....	.01	.....	.....	.....
No	.95	.70	Prospectors Air's	.....	.70	.....	.....	.....
No	*1.00	1.00	Quebec Pros.	.....	.....	.....	.....	.....
No	.15	.03	Quemont	500	.10½	.10	.10	.10
1	.02½	.00½	Ribago	.....	.01½	.....	.....	.....
1	.03	.01½	Ritchie	42,000	.01½	.02	.01½	.01½
1	.04	.01	Robb Montbray	5,500	.01½	.01½	.01½	.01½
1	1.21	.75	San Antonio	9,491	.86	.90	.83	.87
1	.05	.03	Seven Troughs	500	.03	.03	.03	.03
1	.54	.33	Sherritt Gordon	6,390	.42	.44½	.40	.44
1	1.77	1.25	Siscoe	130,185	1.37	1.43	1.30	1.41
1	.10½	.03	South Keora	2,500	.04	.04	.03	.04
No	.06	.01½	Stadacona	80,700	.03½	.03½	.02½	.03
1	.14	.07	St. Anthony	1,000	.11½	.10½	.10½	.10½
No	1.07	.60	Sudbury Basin	3,600	.80	.90	.85	.86
1	.04	.00½	Sudbury Contact	17,750	.02½	.04	.02½	.03
1	.01½	.00½	Sudbury Mines	.....	.00½	.....	.....	.....
1	.16½	.16½	Sudbury Nickel	5,000	.....	.16½	.16½	.16½
1	.38½	.20	Sullivan	8,200	.26	.28	.25½	.26
1	1.21	.72	Sylvanite	29,500	.80	.84	.78	.78
1	.03½	.01	Tashota	5,500	.01½	.01½	.01½	.01½
1	.18½	.15½	Tashota Goldfield	.....	.18½	.....	.....	.....
1	5.10	3.70	Teck Hughes	20,053	4.08	4.20	4.05	4.10
1	.10	.03	Thom Cadillac	100	.04½	.06	.06	.06
1	.20	.10	Towagmac	235	.16	.13	.10	.10
1	2.00	1.10	Treadwell	500	1.25	1.20	1.10	1.20
1	.08	.04	United Kirkland	1,000	.06	.06	.06	.06
No	.06½	.01½	Vacuum Gas	37,300	.02½	.03	.01½	.01½
No	2.40	2.30	Venezuela Gold	.....	2.35	.....	.....	.....
No	1.28	.80	Ventures	23,000	.96	.98	.94	.96
1	.22	.09	Vickers	4,000	.17	.15	.13½	.14
1	.41½	.20	Vipond	2,133	.34	.34	.30	.32
No	.60	.35	Waite Ackerman	100	.40	.49	.49	.49
1	.04½	.02½	White Lake	1,500	.03	.02½	.02½	.02½
1	.08	.02	Wiltsey Coughlan	4,000	.05	.05	.04½	.05
1	.12	.07	Wood Kirkland	.....	.08	.....	.....	.....
No	5.05	3.73	Wright-Hargreaves	34,755	4.14	4.48	4.14	4.29

OIL STOCKS

Par Val.	Range 1933 High	Range 1933 Low	Company	Sales	Close Mar. 27 (or last)	High for week	Low for week	Close Apr. 3
No	.12	.08	Acme Gas & Oil	3,500	.08	.08½	.08½	.08½
1	.82	.60	Ajax	2,025	.65	.63	.60	.61
1	.10	.05	Alta. Pacific	.....	.08½	.....	.....	.....
1	.07½	.05	Amalgamated	1,000	.06	.06	.06	.06
No	.07	.04½	Associated	7,700	.05½	.05½	.04½	.04½
No	.02½	.01	Baltac	2,000	.01½	.01½	.01½	.01½
1	*.05	.02½	Brit. Dominion	.....	.....	.....	.....	.....
No	.35	.25	Calgary & Ed.	.....	.33	.....	.....	.....
1	.05	.03	Calmont	.....	.03	.....	.....	.....
1	.06	.03½	Common. Pete.	500	.03½	.03½	.03½	.03½
No	.30	.05	Dalhousie	1,500	.11	.14	.12	.12
No	.02	.02	Devenish	.....	.02	.....	.....	.....
No	*.02	.00½	Dome Oil	.....	.....	.....	.....	.....
No	.08	.05½	East Crest	1,150	.08	.06	.05½	.06
.	.25	.25	Erie Gas	.....	.25	.....	.....	.....
No	.00½	.00½	Fabyan Pete	.....	.00½	.....	.....	.....
No	.10	.10	Foothills	.....	.10	.....	.....	.....
No	.05½	.04	Freehold	6,000	.05	.05	.04½	.04½
1	*.02	.00½	Great West	.....	.....	.....	.....	.....
No	*.06½	.03	Hargal	.....	.....	.....	.....	.....
No	*.05	.02	High Sarcee	.....	.....	.....	.....	.....
No	.45	.30	Home	5,100	.41	.41	.35	.40
No	*.05	.01½	Homestead	.....	.....	.....	.....	.....
1	.20	.10	Homest'd O. & G.	500	.10½	.10	.10	.10
1	*.01	.00½	Illinois Alberta	.....	.....	.....	.....	.....
No	*.02½	.00½	Lethbridge	.....	.....	.....	.....	.....
No	*.10	.04	Lowery	.....	.....	.....	.....	.....
No	*.02	.00½	Madison	.....	.....	.....	.....	.....
1	.21	.14	Mayland	100	.20	.16	.16	.16
1	*.04	.01½	McD. Segur Ex.	.....	.....	.....	.....	.....
1	*.04	.01	McD. Segur N.	.....	.....	.....	.....	.....
1	.28	.26	McLeod	400	.26	.27	.27	.27
No	.09½	.06	Mercury	11,500	.08½	.08½	.08	.08½
No	.15	.13	Merland	.....	.13	.....	.....	.....
No	*.15	.08½	Mill City Pete	.....	.....	.....	.....	.....
1	.18	.12	Model	200	.17	.17	.17	.17
1	*.05	.04	Monalta	.....	.....	.....	.....	.....
1	*.07	.03	Moose Mountain	.....	.....	.....	.....	.....
1	.01	.01	New Federal	.....	.....	.....	.....	.....
5	.20	.09	Nordon	12,000	.12½	.11	.11	.11
1	.04	.02½	Oil Selections	8,000	.03½	.03	.03½	.03½
No	.06	.04½	Okalta	1,100	.05½	.04½	.04½	.04½
No	.31	.20	Olga Gas & Oil	8,500	.25	.28½	.27½	.27½
No	.03½	.01	Penn. Pete	7,500	.01½	.01½	.01	.01½
1	.17	.15	Petrol Oil & Gas	.....	.15	.....	.....	.....
No	*.14	.08	Ranchmen's	.....	.....	.....	.....	.....
1	*.01	.00½	Regent	.....	.....	.....	.....	.....
No	*.02½	.01	Richfield	.....	.....	.....	.....	.....
No	7.10	6.00	Royalite	212	6.00	7.00	6.00	6.50
1	.11	.06	Sarnia Oil	1,000	.07	.07	.06½	.06½
1	*.03	.01	Signal Hill	.....	.....	.....	.....	.....
No	.07	.04	South West Pete	.....	.04	.....	.....	.....
1	*.30	.10	Spooner	.....	.....	.....	.....	.....
No	.15	.12	Sterling Pacific	570	.13	.14	.14	.14
.	.43½	.43½	Trinidad Oil	.....	.43½	.....	.....	.....
1	*.11	.07½	Turner Valley	.....	.....	.....	.....	.....
No	.08	.03	United	.....	.03	.....	.....	.....
1	*.09½	.03	Vulcan	.....	.....	.....	.....	.....
No	.01	.00½	Wainwell	1,700	.00½	.00½	.00½	.00½

VANCOUVER STOCK EXCHANGE
(Transaction for Week to March 28)

Par Val.	Range 1933 High	Range 1933 Low	Company	Sales	Close Mar. 27 (or last)	High for week	Low for week	Close Apr. 3
25c	*.00½	.00½	Bayview	.....	.....	.....	.....	.....
1	.75	.60	B. C. Silver	.....	.75	.....	.....	.....
20c	.05½	.04½	Beaver Silver	.....	.04½	.....	.....	.....
			Big Slide	7,400	.....	.17	.14½	.15
25c	.03	.02½	Bluebird	.....	.02½	.....	.....	.....
No	2.40	1.38	Bralorne	5,693	2.20	2.30	2.15	2.25
1	.11	.05	Bridge River Cons.	59,200	.09½	.11	.09½	.10½
100	89.00	89.00	B. C. Electric, Pfd.	.....	89.00	.....	.....	.....
No	2.85	2.00	Cariboo Gold	1,800	2.19	2.20	2.10	2.10
No	7.50	5.60	Coast Breweries	337	6.75	7.50	6.75	7.50
25c	.01	.00½	Cork Province	10,000	.01	.00½	.00½	.00½
1	.02½	.02½	Cotton Belt	.....	.02½	.....	.....	.....
1	.04	.02	Dalhousie Mines	1,000	.03	.02	.02	.02
1	.44	.28	George Copper	.....	.42	.....	.....	.....
50c	*.02	.01	Geo. Enterprise	.....	.....	.....	.....	.....
1	.03½	.02	Georgia River	21,100	.02½	.02½	.02	.02½
1	.22	.16	Golconda	1,000	.20	.18	.18	.18
50c	.05½	.03½	Grandview	20,400	.05	.05½	.04	.05
1	.00½	.00½	Independence	.....	.00½	.....	.....	.....
1	.01½	.01	Indian Mines	2,000	.01½	.01½	.01	.01
1	.11	.08½	Inter. Coal	.....	.10	.....	.....	.....
1	*.21	.21	Jack Waite	.....	.....	.....	.....	.....
25c	.00½	.00½	Kootenay King	.....	.00½	.....	.....	.....
10c	.02	.01	Lucky Jim	.....	.01½	.....	.....	.....
5c.	*.12	.04	Metaline Metals	.....	.....	.....	.....	.....
1	.01½	.01	Morton Woolsey	2,500	.01½	.01	.01	.01
50c	.03½	.02	National Silver	14,500	.02½	.02½	.02	.02½
50c	.07	.02½	Noble Five	17,600	.05½	.06½	.05½	.06
50c	.01	.00½	Oregon Copper	.....	.....	.....	.....	.....
1	6.10	4.80	Pioneer Gold	1,110	5.60	5.95	5.70	5.70
50c	.08½	.04½	Porter Idaho	1,000	.07	.06½	.06½	.06½
No	.00½	.00½	Premier Border	.....	.....	.....	.....	.....
No	.20	.15	Reeves McDonald	200	.17½	.15	.15	.15
1	.77	.60	Reno Gold	14,125	.64	.71	.64	.66
1	.02½	.01	Rufus Argenta	.....	.01	.....	.....	.....
1	.03½	.02	Ruth Hope	.....	.03½	.....	.....	.....
1	.05	.02	Silverado	.....	.....	.....	.....	.....
25c	.04½	.01	Silver Crest	2,000	.03½	.04	.03½	.04
50c	.03	.01	Snowflake	12,900	.01	.01	.01	.01
1	.25	.25	Sunloch	.....	.25	.....	.....	.....
No	.06	.05	Vanalta	.....	.....	.....	.....	.....
1	.02½	.01	Waverly Tangier	31,500	.....	.02½	.02½	.02½
20c	.02½	.02½	Wellington	.....	.....	.....	.....	.....
1	.05	.04½	Whitewater	.....	.04½	.....	.....	.....

*Quotations for 1932. No sales recorded in 1933 to date.

DIVIDEND PAYERS

	Rate	Yield %		Rate	Yield %
Ajax Oil	8c.	13.11	Merland Oil†	2½c.	
Coniagas‡	12½c.		Noranda	$1.10	
Coniaurum†	3c.		Petrol Oil	3c.	
Cons. Smelters*	10%		Premier	12c.	17.14
Dome Mines	$1+30c.	8.38	Pioneer, B.C.	24c.	3.93
Falconbridge	10c.		Royalite	$1.50	
Hollinger	65c.+10c.	10.20	Siscoe	12c.	8.51
Howe Sound	40c.		Sterling Pacific Oil†	2½c.	
Lake Shore	$2+$1	9.27	Sylvanite	4+1c.	6.41
McIntyre	$1.50	6.45	Teck Hughes	60c.	14.62
McLeod Oil†	5c.		Wright-Har.	20c.	4.66

*Stock. †Interim. ‡Initial.

SALMON FISHERS MAKE GOOD CATCH BUT PRICES POOR

More Canneries in Operation But Output Curtailed By Price Level

From Our Own Correspondent

VANCOUVER—Unsettled market conditions the world over prevented last year from being a very profitable one for the British Columbia salmon industry, according to a review of the season's operations just completed.

Had prices been better, conditions favored a much larger pack than was actually made. Nine more canneries were in operation in 1932 than the year before, but the total pack of 1,081,031 cases, compared with 685,104 in 1931, was not in itself indicative of the salmon runs. The run of chum salmon was large in all areas, but owing to depressed prices the pack was comparatively small.

Strikes Affect Pack

The sockeye pack was adversely affected by fishermen's strikes in the northern area. However, during the tie-up a large number of sockeye were able to escape to the spawning ground, ensuring a heavy run in the next cycle year.

One of the unusual features of the season was the 75 per cent reduction in the run of pinks, usually plentiful.

Low prices affected the halibut fishing, too. Operations were voluntarily curtailed and only 16,884,000 pounds were landed as compared with more than 18,000,000 the previous year.

SET HOUSE IN ORDER CHALLENGE TO CANADA

(Continued from page 11)

should have been left to provincial, municipal or, perhaps, even private enterprise; the Montreal Harbor Bridge. When this enterprise was proposed, the cost was to be $9,000,000 and it was suggested that it should be borne: one third by the city, one third by the province and one third by the Federal Government. In agreeing to this bargain, the city and the province each restricted their share to be not more than the interest at 5 per cent on one third of $9,000,000. It turns out that the bridge cost about $19,000,000. Each year there has been a considerable excess of cost of operation over receipts and we now find in the Federal estimates for the year 1933-34 the sum of $511,100 as the Dominion's share, which compares with a sum of $528,500 in the previous year.

That represents the Dominion Government's contribution to what was supposed to have been one third of the support of an enterprise which, in my view, should have been a purely local enterprise. This venture was carried out despite the protests from the Montreal Board of Trade.

Provincial, Municipal Debts

The rapid rise in the debt of the provinces is due largely to the development of public ownership of utilities, the expansion of highways and good road systems in all the provinces, cultural training advances and the requirements for the promotion of industrial activities and public and social welfare.

The increase in municipal debt, so out of proportion to increase in population, is no doubt due in some measure to increased operation of utilities but I am afraid that a large portion is due to capitalization or funding of revenue deficits.

What are we going to do about it?

What Happened in Britain

First of all, what can we learn from other countries? This increase of governmental expenditure and debt is not confined to Canada alone. We may very well study what has happened in Britain, where the increasing debt and with it the correspondingly increasing burden of taxation, reached a climax in 1931.

The May Economy Report shocked England; it shook the credit of England; people said it should not have been given such publicity; money began to flow out of England. Before actual panic started, however, the political leaders took the situation in hand.

The government balanced the budget by making economies, by increasing the already extremely high taxation and finally by getting the support of the people in converting maturing loans to a lower rate of interest. In thus dealing with the situation the people of Britain showed that they had confidence in themselves and in their government. This soon resulted in restoring the confidence of the rest of the world and today financially Britain appears in some respects to be in the soundest position of any nation.

As a result of the action of the people of Britain in contriving to live within their means, and the subsequent confidence engendered, the deposits in the banks of England during 1932 increased by an amount of £232,892,000. The time has now come when the people of England are ready and anxious to use this money rather than to let it lie in the banks. Now that confidence is returning they are anxious to put the money into circulation and there is a growing agitation in favor of spending. Unfortunately, the lack of confidence as to the financial situation in other countries is causing hesitation on the part of those with money to invest to venture their capital until they are sure that conditions in those countries warrant the risk.

Example of United States

In the United States there was a similar situation—rapidly growing governmental expenditures and debts and large budget deficits. They seemed to be just drifting along like the rest, and the climax came, not with the disclosure of a May Economy Report, but with a banking panic. This provided the necessary stimulus to Congress to give the president sufficient power to take the necessary corrective measures. He is dealing with the banking situation, and at one fell swoop he is lopping $500,000,000 off the budget. Confidence is returning as if a miracle had happened. Bank depositors are increasing and presently we will see a like situation to that in England with piles of money seeking employment.

There are two examples which surely can give us a lead. We seem to be drifting along as the others did expecting something to happen and then perhaps we shall decide what to do about it. It does not seem likely that we shall have either a May Economy Report or a banking panic. What I do think probable is that, until we set our house in order, and by that I mean, get a plan to ensure a balanced budget, perhaps not within a year but within a space that will give us confidence that the situation is being really faced, until such time I say that the government will find it increasingly difficult to borrow that $430,000,000 needed during the next twelve months.

It can't be done by economy alone. It will have to be a combination of economy, increased taxation and refunding of maturing loans at lower interest rates. It is my belief that once the corner is turned there will be lots of cheap money for some time for good investments.

Earmark New Taxes

When it comes to taxation, remembering what happened to the income tax, which was swallowed up by voracious current expenditures, may I suggest that any increased taxes be rigidly applied to the purpose for which they are intended, and as time goes on and conditions improve, they should only be continued for the purpose of reducing our debt to what should be its proper proportion.

In discussing this problem recently, I made the suggestion that we should change the basis of our taxation, and found it fundamentally on earnings. The capacity of a country to bear taxation is proportionate to the capacity of that country to produce wealth. To the natural resources that we have we apply our energy, our industry and our intelligence and we get a certain reward. This reward is the benefit that we get from privileges of citizenship in the country and out of that reward we should be prepared to pay proportionately for our advantages.

Under the present system, the principal desire seems to be to hide from the greatest possible number of people the fact that they are paying taxes. The result is you have people voting to support those members who will levy taxes on somebody else. The wage earner and the small salary earner are lulled into supporting political parties who say they don't tax any earnings under $1,200. Might I point out that with our system of taxation, tariffs, sales and excise tax, the head of a family is paying taxes on practically everything that he buys for each member of that family, whereas, if his taxes were based on his earnings, it would only be on the earnings of one member. Commodity taxes are very hard on poor people. I advocate this system of taxation also in order to bring home to the people more directly the fact that they are paying taxes, and thus get every citizen taking a much more intelligent interest in what is done with governmental money. I have even suggested that the income tax receipt should be the passport to the ballot box.

Balanced Budget Plan

A very small percentage of everybody's pay should go to the Federal Government, this percentage being witheld by the employer and paid direct to the government. At the same time, the income tax as at present established could be carried on so as to tax the people with greater incomes at a higher rate, according as the income was greater. This sytem of taxation would only tax the resources of the country according to the amount produced, but the rates could be adjusted from time to time to produce the amount that the government required. I believe that with a tax of this nature the government could now lay down a policy that would lead to a balanced budget, if not at once, within two or three years.

Consolidated Investments

(Continued from page 9)

turn about face, i.e., a flight from gold to bonds, equities and commodities. I do not think a worse period could be selected for the liquidation of the company. It would be a long, costly process dictated by despair of the future. As a whole the common stock portfolio of the company is quite a representative cross section of the entire Canadian and U. S. markets. Some of the issues possess very high leverage possibilities and in a few this leverage is compounded.

Makes Suggestions

If events take the turn possible from present world indications the portfolio values could increase very rapidly and, if past economic history is any guide, income also could rapidly increase from present levels.

On the whole I am in favor of:

1. Detailed audit (more or less) of the company from inception to Dec. 31, 1932, on behalf of the bondholders and full report thereof to them and others. Such audit to disclose portfolio holdings and cost and market values at close of each year.

2. Immediate disclosure of 1932 financial reports and portfolio holdings, cost values, etc., to such bondholders as desire them—wherever they may be.

3. Postponement of April 24 meeting until such reports are produced, and studied and the proposed reorganization plan clarified and generally understood in the light of these.

Wants Outside Counsel

4. The Atlas Corporation of New York is generally conceded by experts in investment to have solved, understood and managed its affairs since 1928 better than any other investment company. The asset value of its common stock rose from $5.05 a share Dec. 31, 1929, to $7.02 per share Dec. 31, 1932, in spite of the depression, while the asset value of its preference stock increased from $77 a share Dec. 31, 1929, to $152 per share Dec. 31, 1932, and its value in liquidation is only $50 per share. Perhaps we bondholders could engage some of their experts to examine our situation, give us counsel, reorganize the investment management and policies. In fact they might take us "under their wings" on a satisfactory basis much to our advantage. They have been doing just this for several years.

5. I certainly object to liquidation at present levels.

6. I certainly feel we will fare much better to continue operations under a satisfactory capital structure where rights of present bondholders are amply and clearly protected for the present and future, under management that has proved its skill in managing trusts of this type. No amateurs, please. This is not the time or the place for them. We have a perfect right to expect better than average results from a well-managed trust of this type and now is the time to get it. We should have done this long ago.

I hope you have had the patience to read me through and agree with me in a few ideas.

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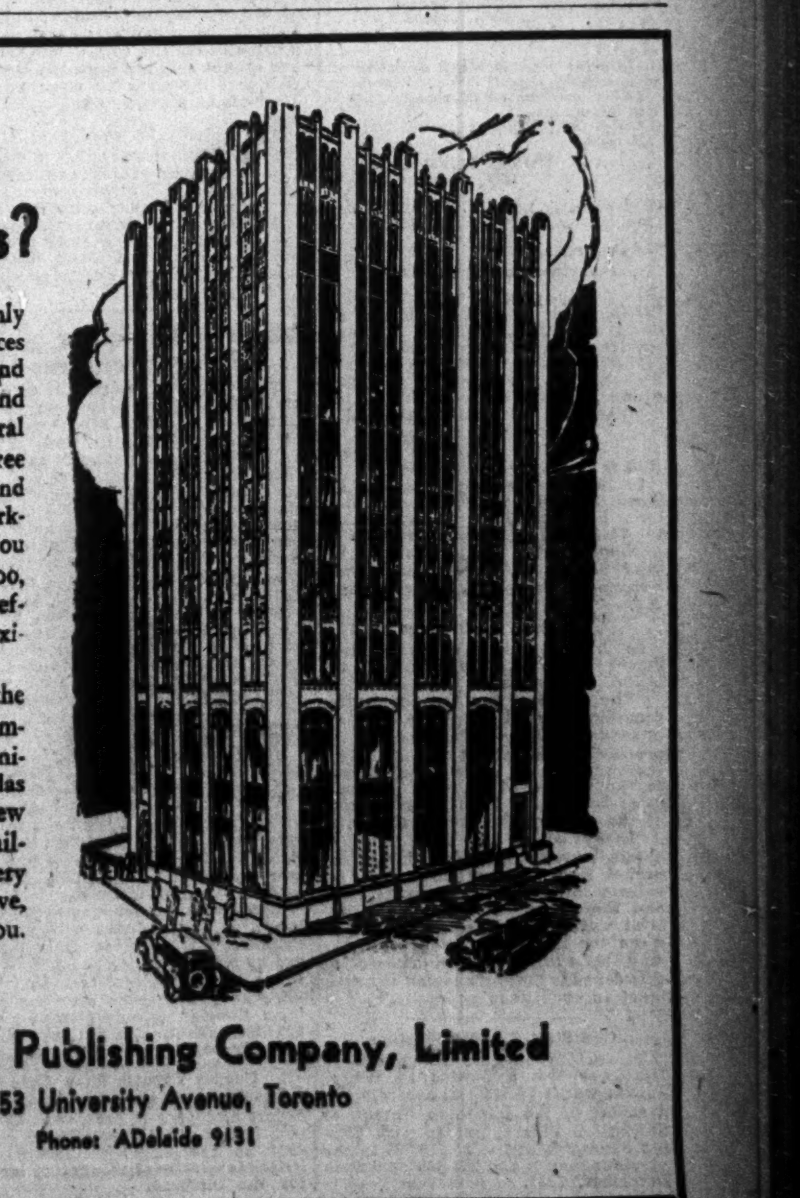

NORTH STAR OIL NET PROFITS LESS THAN DIVIDENDS

Accounts Receivable High Subject to Ability to Collect Most of It

North Star Oil, Winnipeg, had a gross revenue of $968,112 in 1932 and a net profit on the year's operations of $46,540 after deduction of wages, general expenses, taxes, depreciation and interest. The net profit in 1931 had been $70,147 and preferred dividends of $70,000 were deducted each year. The company also had to make income tax adjustments in 1931 and 1932 exceeding $13,000 and transferred an amount of $200,000 to reserve for doubtful accounts. The accumulated surplus of $283,323 at the beginning of 1932 dropped to $70,875 at the end.

INCOME AND SURPLUS ACCOUNT
Years Ended Dec. 31

	1932 $	1931 $
Gross income	968,112	......
Less: Oper. expense..	558,823	......
Net earnings	409,289	......
Less: Depreciation ..	235,959	......
Interest	69,166	......
Federal taxes	57,624	......
Net profit	46,540	70,147
Other profits	24,307	......
	70,847	70,147
Less appropriations:		
Preferred divds. ..	70,000	70,000
Surplus for year	847	147
Prev. surplus	283,323	283,176
Less: Tax adjust.	3,003	......
Tax reserve	10,291	......
Res. for doubtful accts.	200,000	......
Bal. carried for'd.	70,876	283,323

Working capital was fairly well maintained both as regards amount and ratio of current assets to current liabilities. The gross amounts of both current assets and current liabilities were, however, down as shown in the following table:

Working Capital

	1932 $	1931 $
Current assets	2,224,465	2,567,872
Current liabs.	1,964,701	2,303,077
Working capital	259,764	264,795
Ratio	1.13—1	1.11—1

Cash was down from $151,174 to $89,390 in addition to trust funds of $8,223. Sundry debtors including trade accounts receivable of $1,551,118 and an account of $81,755 with a subsidiary company, $103,144 installment accounts for equipment, and $10,197 for miscellaneous, amounted to $1,746,215. From this is deducted the reserve of $374,751 for doubtful debts, leaving $1,371,464. In the auditor's report signed by George A. Touche and Co., chartered accountants, the statement is verified by them, except that they add, "In view of the present business conditions in the territory served by the company, we are not satisfied that the reserve for doubtful debts is an adequate provision."

Inventories are up from $698,398 to $729,138.

On the other side of the balance sheet bills and accounts payable are down from $2,270,908 to $1,936,910. Other liabilities for dividend and income taxes are about the same as in 1931 and total less than $28,000.

HAMILTON BRIDGE REPORT REFLECTS STEEL INACTIVITY

Had Loss of $183,373 Before Provision for Depreciation

From Our Own Correspondent

MONTREAL. — Operations of Hamilton Bridge Co. in 1932 resulted in a loss of $183,373 before depreciation, compared with a profit of $157,856 after depreciation in 1931. Two quarterly dividends were paid on the first preferred stock in 1932 increasing the deficit for the year to $254,873 and reducing balance of profit and loss to $278,688. In 1931 profits were equal to $6.58 a share on the first preferred stock, and after payment of 75 cents a share on the common there was a deficit for the year of $10,696.

Following is a comparison of profit and loss for the past three years:

	1932 $	1931 $	1930 $
Net prof.	*183,373	†157,856	§303,340
Pfd. divds.	71,500	143,552	146,250
Balance	‡254,873	14,304	157,090
Com. divds. ..	......	25,000	150,000
Surplus	‡254,873	‡10,696	7,090
Prev. bal.	533,561	544,258	598,129
P. & L. bal. ..	278,688	533,561	605,219

*Loss for year, including operating and administration expense, but not depreciation.
†After provision for depreciation, but before income tax.
§After depreciation and income tax.
‡Deficit.

Working Capital

	1932 $	1931 $	1930 $
Curr. assets ..	1,060,854	1,523,421	1,676,253
Curr. liabs. ...	201,817	395,627	311,376
Working cap..	859,037	1,127,794	1,364,877

Investments Slightly Lower

In assets, cash is down $28,000 at $44,135 and government bonds are down $26,000 at $588,496. Accounts receivable are lower by $276,000 at $190,977. Inventories are slightly higher, and, reflecting business conditions, outlay on contracts is nil compared with $117,301 at the end of 1931. Fixed assets are carried at $3,903,961 and reserve for depreciation is unchanged at $345,164.

In liabilities accounts payable are down 287,000 at $23,076 and bank loans have been increased by $129,000 to $178,740. Contingent reserve is unchanged at $103,819. During the year $12,500 of prefered stock was redeemed leaving $2,187,500 outstanding.

Outlook is Obscure

In his remarks to shareholders, James Playfair, chairman of the board, said in part:

"The net loss for the year, after providing for all operating expenses but without any allowance for depreciation, amounted to $183,373. This loss was due to a further shrinkage in the volume of business obtained, sales being only twenty-isx per cent of the sales of the previous year.

"Every effort has been made to obtain new business, but during the period under review no orders for railway bridge work were received and there was practically no industrial work. It is difficult to predict when the business of your company may be substantially increased as this depends largely upon an improvement in conditions generally."

Canadian Gold Production

Production of gold in Canada in December last amounted to 266,719 ounces worth $5,513,571, according to a report of the Dominion Bureau of Statistics. This compares with 252,517 ounces valued at $5,219,990 in the previous month and 241,643 ounces in December, 1931.

Canadian Mining News

NORANDA MEETING SHOWS TAXATION TAKES HEAVY TOLL

Buying Government Securities Not Justified if Policy Continued

REDUCE WRITEOFF

New Concentrator Addition Working to Keep Gold Production at High Level

The danger of Governments mortgaging the future of unwarranted current expenditures was forcibly impressed upon shareholders by J. Y. Murdoch, K.C., president of Noranda Mines at the annual meeting last week. Taxes, including the new impost, amount this year to aproximately 65 cents per ton of ore treated or the equivalent of about 35 cents per share.

"Are boards of directors, handling the funds of shareholders, justified in buying Canadian Government securities if the present bankruptcy policy continues?" he asked.

Noranda Mines, like other large corporations, took a large block of the Dominion bonds in the last federal loan.

The various phases of the annual report were carefully analyzed for shareholders. The balance sheet which showed $2,123,105 for marketable bonds and stocks at market prices represented the investment in interest-bearing and dividend-paying securities of which Dominion of Canada and Dominion guaranteed bonds represented 35.33 per cent. Provincial and Province of Ontario Hydro-Electric bonds were represented by 12.09 per cent. Municipal bonds constitute 11.58 per cent while other municipal and school bonds constitute 8.15 per cent. Industrial, public utility and railway bonds comprise 27.69 per cent. The marketable shares represent 5.16 per cent of the total. Another interesting factor is that the marketable shares have depreciated only 9.66 per cent from actual cost.

Depreciation Rate Cut

Due to the increase in ore reserves and the stabilization of the company's operations, the depreciation on buildings, plants and equipment, formerly written off at 15 per cent will be reduced to 10 per cent for the current year.

In dealing with the "H" ore body which has proven up in such a spectacular manner, Mr. Murdoch said that drilling is still in progress, but from the information disclosed to date indications are that the main ore body has been delimited some 200 ft. below the 2,475 ft. horizon. The grade of the ore below the 2,475 ft. level is about the same as between that level and the 1,975 ft. horizon. Diamond drilling below the main sulphide ore of the "H" deposit indicated good fluxing ore for some 230 ft. which showed $2.62 per ton in gold and 3.4 per cent in copper. In the light of the information disclosed by this drilling, consideration is now being given for sinking the No. 4 shaft to the 3,000 ft. horizon and starting an exploration drift on the 3,000 ft. level.

"It has been the policy of the directors of the company," Mr. Murdoch stated, "to increase the gold production and decrease copper production as much as possible during the period of unprecedented low prices for copper."

Rich Pockets Mined

Several so-called pockets of extraordinarily high grade gold ore have been drawn on during the year which has boosted the average gold recovery. Having regard for the fact that these higher grade pockets are rapidly mined out, a decision was reached to increase the capacity of the concentrator to 2,000 tons daily and the new addition is now at full operation, which will involve handling a larger tonnage, but will maintain, so far as possible, the high gold production during a period of low copper prices.

A shareholder was told that earnings were down during the first quarter of 1933 due to curtailed operations, while effecting the repair of reverberatory furnace.

The present copper situation, Mr. Murdoch told the shareholders, is such that it is impossible to make any prophecy as to price, but when one knows that a considerable portion of the world production is, and has been for some lengthy period, sold at a price below the cost of production, one cannot help but have the expectation that the time for re-adjustment of prices on a higher scale is drawing closer.

An analysis of the shareholders' list disclosed that 59.67 per cent of the company's shares are held by Canadians and 38.44 per cent are held by Americans, other countries holding 1.89 per cent. Shareholders total over 20,000, of which 84.41 per cent are Canadians and 13.09 per cent Americans. Other countries constitute 2½ per cent.

Malartic Directors Approve Ventures Deal

The adjourned meeting of directors of Malartic Gold Mines, in Ottawa last week, approved a proposal made by Ventures Ltd., to form a new 4,000,000 share company to take over the assets and liabilities of the present Malartic Gold Mines. Present shareholders are to receive one new share for each two shares held while creditors of Malartic, principally the Sudbury Basin Mines, will take up treasury shares at 20 cents each for its claims. Five hundred thousand shares will be underwritten by the Lindsley interests at 20 cents a share to provide $125,000 for development. In addition, it has an option on 1,250,000 shares on a sliding scale which will average about 60 cents per share.

New Mill Planned For Old Property

From Our Own Correspondent

VANCOUVER.—Construction of the new mill which is being built at Surf Inlet mine on the northwest coast of British Columbia this spring has been started. The work is being financed by the Timmins interests.

The mine has made several shipments of ore to Anyox with good results. It was acquired several years ago by Noah Timmins and J. B. Woodworth and it is understood that Timmins has since taken over the property. Considerable development work has been done and a tramline was recently constructed.

Copper Exports Show Gain

Despite the low price of copper the export of copper in bars, rods, sheets, etc., has increased from $9,278,441 in 1931 to $12,654,140 in 1932, Great Britain's purchases accounting largely for the increase.

Commercial Possibilities James Bay Lignite Deposit Subject of Detailed Report

Tests Show Fleissner Process Gives Good Results

BUILD PILOT PLANT

Consideration Given to 50 Ton Test Plant—Total Cost to Be Under $3.50 Per Ton

That Ontario has a vast deposit of lignite in the James Bay area of great potential importance, was indicated by a voluminous paper presented by C. Tasker, Research Fellow of the Ontario Research Foundation, to the Canadian Institute of Mining & Metallurgy at Toronto this week.

The discovery and development of this lignite field, adjacent to Blacksmith Rapids and lying between the Abitibi and Onakawana Rivers, are due directly to the geological study of the area by Dr. W. S. Dyer of the Ontario Department of Mines. In 1927 Dr. Dyer studied the outcropping along the river which had been known for many years and interpreted the age of the formation as cretaceous, favorable to coal deposits. In 1928 the Ontario Legislature voted $25,000 to the Ontario Mines Department to carry out a preliminary diamond drilling campaign, which started in June, 1929, and was carried on continuously until the end of 1932.

Shafts were sunk and the deposits in the area roughly defined, which showed that the lignite was in two seams with an estimated reserve of approximately 100 million tons.

The physical and chemical survey of the lignite showed the existence of three different types. It also indicated that the one of major economic importance at the present time was the lower seam which has been well defined in a limited area known as the No. A-1 section, lying between the Onakawana and the Abitibi Rivers, adjacent to Blacksmith Rapids. Here drilling has delimited some 7,800,000 tons of lignite which is entirely confined to the lower or more desirable seam, sufficient for 20 years' supply for a 1,000 ton plant. The upper seam has been eroded away by glacial action. This seam averages approximately 20 ft. thickness and in some places is 36 ft. thick. The overburden varies from 40 to 60 ft. in thickness.

Detailed Study Given

Following its own extensive investigation of the area, the Ontario Department of Mines employed Dr. Tasker to conduct an investigation into the chemical and physical properties of the lignite to determine the most economic method of benefication that would prepare the fuel for the broadest commercial exploitation. His report has now been made to the Government.

About a year ago, following a commercial test of samples shipped to Europe, preliminary results were given out which indicated that at least one process, the "Fleissner" process, was particularly applicable to the woody lignite. Under this process the moisture ordinarily averaging at least 50 per cent when mined, was reduced to 20 per cent. The process involves the introduction of the lignite into an autoclave or cylinder which is subjected to a steam pressure of about 25 atmospheres, around 360 pounds pressure, or a temperature of about 435 degrees Fahr. After the fuel has been subjected to this treatment in the cylinders or autoclaves, and has been thoroughly heated, it is opened and the moisture in the fuel, which has been converted to steam, escapes carrying with it certain ash-making matter.

The lignite subjected to this treatment, it has been demonstrated has been hardened, making it more desirable for transportation and not susceptible to the re-absorption of water or atmospheric influences.

The B.t.u. for each pound of the fuel, originally around 5,250, has been increased by the treatment to more than 9,000.

Simple Process

Not only has the process demonstrated that it is especially suitable for woody lignite, but it is also an extremely simple process with relatively low installation cost and low operating costs capable of producing a fuel with broad commercial possibilities.

During the past year, since the results of the European test have been known, an investigation has been conducted into various aspects of the commercial utilization of the deposit and a voluminous report has been prepared for the Minister of Mines, the Hon. Charles McCrea, going into the various economic phases of the development of the deposit.

At a time when Governments are curtailing capital expenditures, the question of exploiting the James Bay lignite and making it available commercially, presents a controversial expenditure, which the present Government has not felt justified in approving.

In any event the first step recommended would be to install a pilot or test plant. It is estimated that for an expenditure of $60,000 a test plant can be installed using one ten-ton autoclave, that would have a capacity of about 50 tons daily.

For stripping the overburden electric or steam shovels would be employed initially.

Site Considered

The location of the plant is subject to discussion. Consideration has been given to locating the test plant at Abitibi Canyon, some 60 miles south of Blacksmith Rapids and the site of the hydro-electric development. The alternative would be to establish a test plant at the site of operations and extend a power line north from the canyon. The advantage of utilizing the present camp facilities and saleable power at Abitibi is offset to some extent by the freighting of the water-laden lignite and the double handling made necessary.

The 50-ton pilot plant would give a sufficient supply of the beneficiated fuel to demonstrate its commercial possibilities and introduce it to the consuming public. This pilot plant would, however, give but little indication of what the production costs might be.

Costs $3 to $3.50 Per Ton

A very careful study has been made into the various aspects of commercial exploitation on the basis of 1,000 tons daily. Inasmuch as the one lower seam adjacent to Blacksmith Rapids has 20 years supply at this rate of production little consideration need be given at the present time to the deposits of greater extent which do not appear to possess such favorable chemical characteristics.

Utilizing electric shovels for stripping the 40 to 60 ft. of overburden and using similar shovels for mining, it is believed that mining cost will be under $1 per ton possibly as low as 90 cents. Total operating costs have been estimated at between $3 and $3.50 per ton of finished material, f.o.b. plant.

If the pilot plant is proceeded with, the cost of extension of a power line along the shores of the Abitibi River would not only make available electric power for the beneficiation process, but also provide power for electric shovels stripping the over burden.

Tests made in Europe with some 105 tons of lignite at various plants showed the Fleissner process to be particularly applicable not only for the operating costs, but also for plant cost involved and the production of a suitable product for the broadest markets.

Contains Much Moisture

In the Fleissner process the treatment of 2,000 pounds of raw lignite containing about 50 per cent moisture, shrinks to about 1,100 pounds of dried lignite. During the process it gives up approximately 76 imperial gallons of water.

In addition to the Fleissner process, tests were conducted on carbonization by the Lurgi and the Kohlenveredlung processes. In both these processes the raw coal is heated in a carbonization oven to a sufficiently high temperature to remove all the moisture and most of the tar, oil and gas, all of which is collected, leaving behind a char or semi-coke containing about ten to twelve per cent volatile matter. The char is soft and porous and in a finely divided state so that it must be briquetted to give a saleable product.

Tests have been conducted with various binders for making briquettes, but due to the low plasticity, about 10 per cent pitch binder is required to make good briquettes.

Briquetting without a binder, as applied to European brown coal, did not give satisfactory results with the earthy lignite from the James Bay deposit. Also the briquettes weathered badly in open storage, but stood up well under cover. They are not waterproof as are the European brown coal briquettes. Laboratory research on briquetting has brought to light several interesting factors, and is being continued because of the importance to the economic development of the deposit particularly as a method of utilizing the earthy lignite which is not amenable economically to the treatment by other processes.

Means Much to Northern Ontario

One thing becomes evident from Dr. Tasker's paper, that Ontario has in the James Bay lignite deposit a potential fuel that has great economic importance to Northern Ontario providing it can be made competitive with imported fuel.

The entire area prospected by the Ontario Department of Mines has been withdrawn from staking and is under the control of the department, which assures that it will be given careful exploitation, and that all problems will be carefully considered before launching any beneficiation or development programme.

At the present time a limited amount of Pennsylvania anthracite coal is being used for domestic fuel along the T. & N. O. Railway in Northern Ontario. This sells from $16.50 to $21 per ton and analyzes approximately 14,500 B.t.u. per pound. High grade bituminous coal analyzing 13,500 B.t.u. per pound and delivered at Georgian Bay ports currently sells for around $4 per ton. Delivered at Sudbury or North Bay the price is around $6 per ton, while at Kirkland Lake it is about $8 per ton. At Abitibi Pulp & Paper Co., at Iroquois Falls, the cost for steam coal is approximately $7.60 per ton.

Bank of Eng. Holds £163,000,000 Gold

Gold holdings by the Bank of England are now near a record with some £163,000,000 reported. Heavy additions were made in recent weeks, according to advices from London.

Silver also figures in the picture and the same authority says it will be stabilized and that it will yet take its place in the settlement of war loans and loan interest. The same report says that the Bank of England is likely to declare itself as a buyer of gold at over 100 shillings per ounce as against the present standard price of 77¾ shillings per ounce.

These things are not expected to happen immediately, but are considered as quite probable by interests who by their positions are unusually well informed.

Ajax Oil & Gas Reduces Dividend to 8c Rate

Ajax Oil & Gas Co. reduced its dividend from three cents per share quarterly to 2 cents per share with the disbursement payable April 15.

An initial dividend of three cents per share was paid April 15, 1932, and a like disbursement was paid July 15, October 15 and January 16 last.

No financial statement has been rendered for last year's operations, but at the same time dividends were initiated there was some discussion as to the source of funds. As at December 31, 1931, the working capital stood at $20,037 while the operations in 1931 incurred a deficit of $16,494.

In the absence of a financial statement covering 1932, indications are that expected profits had not been realized.

GOLD MINE STOCKS UNDER DISCUSSION BY U. S. AUTHORITY

Public Underestimate Life of Leading Gold Producers

It is a peculiar anomaly, stated Sydney H. Ball, president of the Mining and Metallurgical Society of America, in an address to the Canadian Institute of Mining and Metallurgy in Toronto this week, that while the world used the term "rich as a gold mine" as the superlative figure of speech descriptive of wealth the shares of gold mines are not as popular investments in America as certain of them should be.

Success in gold mining depends upon the property being operated; the ability of the management and the financial structure of the company. These three factors are common to all businesses but the fourth item, marketing, negligible in gold mining, is formidable at times in other businesses. As a broad statement gold mining companies have a simple financial structure. The better gold mines in the ability of their executives compare favorably with other industrials and with railroads. The public underestimates the life of the better mines. Mr. Ball said it was his own feeling that the profitable life of other industrials and railroads is frequently exaggerated. Competition, change of fashion and new inventions may kill other industrial operations but exhaustion alone is fatal to a gold mine.

The investor in gold mining shares may benefit by an appreciation in his capital but should at least receive a dividend of from 7.6 per cent to 15.5 per cent on the yearly market mean quotation. Up to a year or so ago the directorate of several North American mines saw fit to pay to the stockholders but a part of the mine's earnings, investing the rest in bonds and stocks. The supposed advantage of an investment trust as an adjunct to a gold mining enterprise has proved to be null and void and it is safe to say that disbursements on American gold shares will hereafter be from nine per cent to 12 per cent of their market quotations.

Look For New Mines

The question arises as to what would happen to the gold shares, were boom times to return and commodity prices rise, thus automatically decreasing the purchasing value of gold as expressed in goods and possibly in labor. Due to over-mechanization of our industries an immediate labor shortage is unlikely and consequently exorbitantly high wages are not apt to increase gold production costs in the near future. A more important factor than the price of labor is its efficiency, Mr. Ball said.

In outlining a method of evaluating gold mining shares, along conventional lines, Mr. Ball said, "Net quick assets are in instances paid out to shareholders but in part at least are usually dissipated in one of two ways; either in checking that the mother mine is worked out or in attempting to find a baby mine which will live up to the family reputation. Such action is warranted, for one should not be a stockholder of a mine unless he has complete confidence in the management and, if the management is as capable as he believes, money spent by it in prolonging the life of a going mine or looking for a new one is more likely to be fruitful than the same money put by the investor in a new enterprise."

The above discussion relates to mines that have arrived. If one wishes to speculate in gold prospects, and the appreciation of capital may be great if one is lucky, the speculator would ordinarily be well advised to beceome a stockholder in one of the companies engaged in the process of developing a number of embryo gold mines.

PANDORA DRILLING DECIDES PROGRAM TO DEEPEN SHAFT

Drifting on 250 Ft. Level Discloses 230 Ft. of Vein

Encouraged by deep diamond drilling results, officials of Canadian Pandora Gold Mines in the Cadillac district of Quebec announce that plants have been made for deepening the shaft from the 250 to the 500 ft. horizon. Three diamond drill holes have been sunk east of the shaft from the 250 ft. level to cut the vein at depth. Last reports show seven ft. of ore between 380 and 387 ft., giving spectacular values in gold.

Work recently has been principally concentrated on the No. 5 vein on the 250 ft. level where at last reports the total length of the vein was 230 ft. It was cut by minor faults which had been traced and picked up. This vein, as far as it has been developed, shows a width from a few inches to 53 inches and is made up almost entirely of high temperature, dark quartz with the gold values principally confined to the free state, some of which show spectacular values. One section, over 70 ft. in length, averaged approximately $15 per ton in gold across 20.3 inches. It is estimated from channel sampling that for the length of the drift so far opened up on the 250 ft. level that the grade of ore will be from $8 to $10 per ton.

On the 125 ft. level crosscutting to the north to intersect the No. 5 vein at that horizon, showed considerable free gold at the vein intersection.

New York interests, whose names are not disclosed, have guaranteed sufficient funds to carry out the company's shaft-sinking programme, while the plant facilities are capable of going to a depth of 1,000 ft.

Hudson Bay Ships Spelter

Hudson Bay Mining & Smelting Co. was recently a shipper of 25 tons of zinc spelter to Hull, England, according to the foreign freight department of the Canadian National Railway.

B. C. Legislation To Make Change In Security Act

From Our Own Correspondent

VANCOUVER.—The British Columbia legislature has decided to moderate some of the terms of the Security Frauds Prevention Act so as to facilitate the operation of small companies in the financing of mining projects.

The Government will take power to exempt mining syndicates and private companies from the provisions of the act providing their membership is small. It is proposed to allow this exemption to companies with only twenty stockholders. The exact number has not been fixed, however, pending issuance of the new regulations. At the same time the Government takes authority to force private companies generally to register under the act. They are not now required to register.

Mining men claim that these amendments will not greatly assist the situation and that other changes should be made. According to A. M. Whiteside, K.C., chairman of the legal and legislative committee of the B. C. Chamber of Mines, the chief necessity now is to relieve claim holders of unnecessary red tape in securing money for development of their properties without encouraging loose methods in attracting investors.

HOWE SD. ENTRY INTO BRIDGE RIVER STIRS UP ACTION

Smelters Looks at Bridge River Consolidated Property

From Our Own Correspondent

VANCOUVER.—Entry of Howe Sound Co., and Consolidated Mining & Smelting Co. into the Bridge River mining field is believed to herald the beginning of another important epoch in the history of that region.

It is reported that Britannia Mining Co., one of the Howe Sound subsidiaries, has acquired control of Pioneer Extension mine, which was taken over last year by the Home Oil Company to be operated as one of its mining string. Pioneer Extension, as its name implies, is adjacent to the Pioneer, largest producer in Bridge River, and some mining men claim that the property is a continuation of the rich Pioneer group of veins in which lode gold has been found. Britannia is said to be negotiating for acquisition of an adjoining group of claims, known as the plutus property.

When Bridge River Consolidated stock started to move upward during the past week enquiry elicited the interesting information that Consolidated Mining & Smelting had been looking into the property with a view to taking it over. The latter company plans a thorough exploration of the ground this summer.

Adjoining Claims Profit

The advent of Howe Sound Co. to the Bridge River section revives interest in the Dan Tucker and Red Hawk properties adjoining the new Howe Sound acquisitions on the southeast. Recent news from the district is to the effect that the Dan Tucker tunnel, which has been privately financed, has reached its objective and that a lead 3½ feet wide has been contacted at approximately 200 feet from the tunnel surface. This is some eighty feet below the surface of the vein whose continuation runs practically the full width of the Red Hawk group. The effect of this Dan Tucker strike, together with the interest being shown by Howe Sound and Consolidated, is expected to bring about a substantial impetus in financing of other groups on the southeasterly extension of the Pioneer augite-diorite.

B. C. Mines Department Reports on Magnesite

Magnesite and hydro-magnesite have been the subject of an investigation by the British Columbia Department of Mines, which reports that the province is amply supplied with reserves of both rock and earthy varieties of magnesite. Some of the deposits are well located for economical operation should suitable markets be developed in the near future.

A deposit of crystaline rock magnesite. Some of the deposits are well located for economical operation should suitable markets be developed in the near future.

A deposit of crystaline rock magnesite found near Cranbrook is the most important of the discoveries to date, but in point of tonnage and accessibility. The fact that it is situated in the same general area as Kitchener iron deposit lends hope that some day it will be developed to provide the requisite refractory material for the manufacture of iron and steel in that section of the province.

The present markets for magnesite are locally small and a protective tariff on exports to the United States effectively curtails shipments to that market. An investigation has been conducted into the Oriental market, particularly Japan which is without visible supplies of magnesite.

Waite Shareholders Told Merger Not Likely

At the annual meeting of shareholders of Waite-Ackerman-Montgomery Mines, held in Toronto last week, James Y. Murdoch, K.C., president, stated that there had been some informal discussion of merging the company with Amulet Mines, but negotiations had not reached the point where any proposal could be placed before shareholders.

Both properties are closed down pending improvement in base metal prices, but Waite-Ackerman is practically able to carry its shut-down expenses by the revenue from its investments, while Amulet has practically no cash and has a funded indebtedness with interest accruing.

Resumption of production, shareholders were told, depends entirely on improved general conditions and higher metal prices.

The meeting was routine in nature andt he existing board of directors was re-elected.

God's Lake Gold Mines Has 1,075,000 Shs. Issued

Inadvertently an advertisement in last week's issue of The Financial Post showed the God's Lake Gold Mines as having issued 1,925,000 shares for its properties leaving 1,075,000 shares in the treasury. These figures should have been reversed, that is 1,075,000 shares have been issued altogether for the various groups of claims totalling some 4,500 acres, that go to make up the company's holdings.

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Sponsors Offer Beattie Shares Under $1 Option

Shareholders of Beattie Gold Mines, said to number close to 200, are in receipt of advice from the company's secretary offering 605,009 treasury shares at 50 cents each to shareholders of record April 3, 1933. The shares are offered in the proportion of one new share for each six shares held.

The statement refers to certain agreements made by the Nipissing Mining Co., which holds an option to purchase all or any part of 600,000 shares at $1 per share. Ventures Ltd. holds an option to purchase all or any part of 400,000 shares at $1 per share. These two companies are releasing sufficient shares from their options to permit of the above offering. Inasmuch as these two companies are the principal shareholders in Beattie, the purpose of the rights is not made clear. In effect it is releasing these two companies from option obligations at $1 per share and giving them rights to purchase at 50 cents per share. The only other group to profit by the proposed deal is the minority shareholders including the vendors who have sold a portion of their holdings which are held by these minority shareholders.

The shares of the company are not listed, but there have been occasional transactions through the Standard Stock & Mining Exchange at around $1 per share.

NICKEL'S LANDS ORIGINALLY SOLD FOR $1 PER ACRE

Subsequent Production Valued at Over $500,000,000

The first prospectors to stake claims in the Sudbury District, which has become the centre of the world nickel industry, paid exactly one dollar an acre for their 310-acre tract in the township of McKim. More than half a billion dollars in nickel, copper, platinum, gold and silver has been taken from this famous field.

This half-century-old purchase is revealed by C. A. Collins, of The International Nickel Co., in recounting to the Canadian Institute of Mining and Metallurgy the birth of the nickel industry.

Contrasting this price with the $50,000,000 spent by International Nickel in its expansion and improvement programme which was completed last year, Mr. Collins indicated the probability that "no mining area of equal dimensions in the world came into the market so cheaply."

Too little has been said, Mr. Collins asserted, concerning the great achievements of the prospectors who opened up the Northern Ontario wilderness and laid bare the mineral deposits which were destined to place Canada in the front rank of the world's metal producers, and of the industrial and financial pioneers who risked their fortunes to bring Canada's wealth out of the ground.

Mr. Collins urged the Institute to take the leadership in marking for posterity all of the various sites of the important mineral discoveries in the Dominion. "Tablets should be erected," he said, "in every province from the Atlantic to the Pacific, and from the International boundary to the Arctic Circle. Provision should be made in the curricula of our Public and High Schools for short courses of study on the basic industries of our country, and short talks by the teachers should be given regularly on such subjects as mineral discoveries; and the names of those who were pioneers in these great industries should be household words throughout the whole Dominion.

MINING INSTITUTE AWARDS MEDALS OF ACHIEVEMENT

George Murray, of Cons. Smelters, Wins Bruce Medal

The announcement of the recipients of the various medals and prizes awarded through the Canadian Institute of Mining and Metallurgy is always a tense moment of the annual convention.

This year, J. E. Holley, of Kingston, was awarded the Barlow Memorial Prize of $50 for his paper on the "Geology of the Siscoe Gold Mines." This award was in memory of Alfred E. Barlow, president of the Institute in 1912, who was drowned on the Empress of Ireland in 1914.

One of the most coveted prizes in the mining industry is the Randolph Bruce Medal. This year the award is made to George Murray, metallurgist at the Consolidated Mining and Smelting Co., at Trail, B.C. The award was made for his work in connection with the recovery of zinc and lead from the blast furnace flag at the Trail smelter.

President's Medal

The gold medal plus a $25 prize, awarded by Dr. John A. Allan, president of the Institute goes to V. J. Southey, of the University of British Columbia, for his paper on "Underground Rock Drilling Efficiency."

A $25 prize also goes to H. H. Gardner, of the University of Alberta, for a paper covering mining methods at the Corbin Colliery at Corbin, Alberta.

H. McIntyre, of Queen's University, is awarded a $25 prize for his paper dealing with the methods of stoping and timbering at the Wright-Hargreaves mine.

Ralph Parker, manager of mines, the International Nickel Company, Copper Cliff, is to be the recipient of the Leonard Medal for his paper on "Ventilation of the Frood Mine."

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The Future of the Gold Stocks

This topic is discussed at length in the current issue of the "Mining Chronicle," our monthly publication.

In addition, analyses of Wright-Hargreaves, Lake Shore and McIntyre—three important gold producers, appear.

Eldorado and Great Bear Lake Mines are also reviewed in this issue.

Copies mailed upon request.

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